

BURLINGTON
P.O. Box 445
111 E. George Hopper Rd, Burlington WA 98233
Title: (360) 707-2158 • Fax: (360) 707-0460
Escrow (360) 707-2312 • Fax (360) 707-2012

OAK HARBOR
P.O. Box 1138
1080 NE 7th Avenue, Oak Harbor, WA 98277
Title: (360) 675-2246 • Fax: (360) 675-0936
Escrow (360) 679-5055 • Fax (360) 679-3892



ANACORTES
3010 Commercial Avenue
Anacortes, WA 98221
Title: (360) 299-0565 • Fax: (360) 299-0779

FREELAND
P.O. Box 129
5595 Harbor Avenue, Suite C, Freeland WA 98249
Title: (360) 331-4838 • Fax: (360) 331-4837

STANWOOD / CAMANO ISLAND
P.O. Box 1769
7202-267TH NW, Suite 101, Stanwood WA 98292
Title: (360) 629-9737 • Fax: (360) 629-2152

☒ Burlington

☐ Anacortes

☐ Oak Harbor

☐ Freeland

☐ Camano/Stanwood

Prepared For:
Harbor Freight Tools

26541 Agoura Road
Calabasas, CA 91302

Attn: Heather Neidenbach
CITY OF MOUNT VERNON

Agent Order No.: 01-161040-S
Customer Reference:
Seller: Hinton Family, et al
Buyer/Borrower: Harbor Freight Tools

By: Eldon Brown, Title Officer eldon@ltco.com

For Service on this order call: (360) 707-2158

MAR 21 2017

C.E.D. DEPARTMENT
BY _____

**2nd
SCHEDULE A**

1. Effective Date: January 17, 2017 at 8:00 A.M.

2. Policy or Policies to be issued:

[X] ALTA Owner's Policy	Amount: \$ 2,500,000.00
[] Standard [X] Extended	Premium: \$ 4,323.00
Proposed Insured:	Tax: \$ 367.46

HARBOR FREIGHT TOOLS USA, INC., a Delaware corporation

[] ALTA Loan Policy	Amount: \$
[] Standard [] Extended	Premium: \$
Proposed Insured:	Tax: \$

3. The estate or interest in the land described or referred to in the Commitment and covered herein is:

LEASEHOLD ESTATE

4. Title to the estate or interest in said land is at the effective date hereof vested as to a Fee Simple Estate in:

HINTON FAMILY, LLC, a Washington Limited Liability Company and GREG T. HINTON, as his separate property, as their interests may appear

5. The land referred to in this Commitment is in the State of Washington, County of Skagit and is described as follows:

(See Schedule "A-1," attached.)

Schedule "A-1"

01-161040-S

DESCRIPTION:

PARCEL "A":

That portion of the Northwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 17, Township 34 North, Range 4 East W.M., lying Southerly of the County Road along the North line thereof, lying Easterly of Old Highway 99 along the West line thereof, lying Northerly of a 60 foot strip conveyed to the City of Mount Vernon by deed dated July 3, 1959 and recorded July 10, 1959, as Auditor's File No. 582951 and lying Westerly of the West line (and Southerly extension of said West line) of a Tract conveyed to Keith S. Johnson, et al, by deed dated October 9, 1957 and recorded October 15, 1957, under Auditor's File No. 557246, records of Skagit County, Washington,

EXCEPT that portion deeded to the City of Mount Vernon by deed recorded under Auditor's File No. 8511050003.

Situate in the City of Mount Vernon, County of Skagit, State of Washington.

PARCEL "B":

A strip of land 10 feet in width lying Easterly of and adjacent to the East line of that certain tract in the Northwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 17, Township 34 North, Range 4 East, W.M., conveyed to Hinton Oldsmobile - G.M.C. Truck, Inc., a corporation, by deed dated May 28, 1968, recorded June 3, 1968, under Auditor's File No. 714268.

EXCEPTING from Parcels "A" and "B" above described, those portions deeded to the City of Mount Vernon by instrument recorded March 28, 2008, under Auditor's File No. 200803280001, records of Skagit County, Washington.

Situate in the City of Mount Vernon, County of Skagit, State of Washington.

ALTA COMMITMENT

Order No.: 01-161040-S

SCHEDULE B Part I

Schedule B of the policy or policies to be issued will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the Company:

GENERAL EXCEPTIONS

- A. Taxes or assessments which are not shown as existing liens by the public records.
- B. (i) Unpatented mining claims, (ii) reservations or exceptions in patents or in acts authorizing the issuance thereof; (iii) water rights, claims or title to water, whether or not the matters excepted under are shown by the public records, (iv) Indian tribal codes or regulations, Indian treaty or aboriginal rights, including easements or equitable servitudes.
- C. Rights or claims of parties in possession not shown by the public records.
- D. Easements, claims of easements or encumbrances which are not shown by the public records.
- E. Encroachments, overlaps, boundary line disputes, or other matters which would be disclosed by an accurate survey and inspection of the premises and which are not shown by the public records.
- F. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
- G. Any service, installation, connection, maintenance, tap, capacity, construction or reimbursement charges for sewer, water, electricity or other utilities, or for garbage collection and disposal.
- H. Any titles or rights asserted by anyone, including but not limited to persons, corporations, governments, or other entities, to tidelands, or lands comprising the shores or bottoms of navigable rivers, lakes, bays ocean or gulf, or lands beyond the line of the harbor or bulkhead lines as established or changed by the United States Government, or riparian rights, if any.

SPECIAL EXCEPTIONS TO FOLLOW:

1. Excise tax, if unpaid, said tax in the City of Mount Vernon being .0178.

The basic rate charged by the State of Washington is .0128, plus a surcharge of .0050 being levied by Skagit County. Therefore, the total excise tax due will be figured by multiplying the sales price times .0178. **Effective July 1, 2005, transactions that are taxable an additional \$5.00 will be due.**

NOTE: Under the provision of Chapter 245, Laws of 1991 and 2005 (SHB 1316 and SBH 1240), transactions that are either tax exempt or the tax calculated is less than \$5.00 the total due for those transactions will be \$10.00.

2. General taxes, as follows, which became a lien on January 1, 2017, but which cannot be paid until February 15, 2017:

<u>Tax Account No.</u>	<u>Year</u>	<u>Amount</u>
340417-2-008-0005	2017	\$ 33,769.72

Property I.D. No.: P25918

CONTINUATION SHEET

SCHEDULE B

Order No.: 01-161040-S

EXCEPTIONS CONTINUED:

3. Municipal assessments and impact fees, if any, levied by the City of Mount Vernon.

4. DEED OF TRUST AND THE TERMS AND CONDITIONS THEREOF:

Grantor:	Hinton Family LLC, a Washington Limited Liability Company, and Gregory T. Hinton, as his separate property
Trustee:	Land Title Company of Skagit County
Beneficiary:	Skagit State Bank
Amount:	\$248,500.00
Dated:	July 29, 2011
Recorded:	August 1, 2011
Auditor's No.:	201108010067

5. ASSIGNMENT OF RENTS GIVEN AS ADDITIONAL SECURITY AND THE TERMS AND CONDITIONS THEREOF:

Assignor:	Hinton Family LLC, a Washington Limited Liability Company, and Gregory T. Hinton, as his separate property
Assignee:	Skagit State Bank
Amount:	Not disclosed
Dated:	July 29, 2011
Recorded:	August 1, 2011
Auditor's No.:	201108010068

6. MEMORANDUM OF LEASE, INCLUDING TERMS & CONDITIONS THEREOF:

Lessor:	Hinton Family, LLC, a Washington limited liability company and Gregory T. Hinton, as his separate property
Lessee:	Harbor Freight Tools USA, Inc., a Delaware corporation
Dated:	March 28, 2016
Recorded:	April 11, 2016
Auditor's No.:	201604110124

7. SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT, AND THE TERMS AND CONDITIONS THEREOF

Recorded:	April 11, 2016
Auditor's File No.:	201604110124

8. Unrecorded leaseholds, if any; rights of vendors and holders of security interests on personal property installed upon said property, and rights of tenants to remove trade fixtures at the expiration of the term.

CONTINUATION SHEET

SCHEDULE B

Order No.: 01-161040-S

EXCEPTIONS CONTINUED:

9. MATTERS RELATED TO OWNER'S (PURCHASER'S) EXTENDED (AND ALTA MORTGAGEE'S, IF SIMULTANEOUS) POLICY COVERAGE:

- (a) Questions of survey;
- (b) Rights of parties in possession;
- (c) Material or labor liens.
- (d) NOTE: Disposition of the above will be determined upon receipt of an ALTA survey, which shows the location of all improvements, easements, and rights of parties in possession.

10. Easements, restrictions, and other matters shown on Schedule "B-1" attached are also excepted from coverage. The easements, restrictions and other matters shown as lettered exceptions on Schedule "B-1" are excepted from policy coverage to the same extent that the numbered Schedule "B" Special Exceptions shown herein are excepted from policy coverage.

NOTE #1: A copy of the formation documents and operating agreement for the limited liability company herein named must be submitted to the company to determine the identity and power of the person(s) qualified to execute instruments on behalf of said company.

Limited Liability Company: Hinton Family LLC

NOTE #2: The forthcoming loan policy will contain the ALTA Form 22-06 Endorsement containing the following information:

a commercial building known as: 2400 Riverside Drive
Mount Vernon, WA 98273.

The forthcoming loan policy will contain the Alta Form 9-06 Endorsement.

NOTE #3: According to the application for Title Insurance, those matters recorded under Skagit County A.F.#201604110124 and 201604110125 will be terminated and replaced. The policy to issue will insure the 'replacement' Lease Agreement. Further, the underlying property will be subdivided. Upon approval and recording of said subdivision, this company will be requested to endorse the proposed Policy (ALTA 26-06 Subdivision; ALTA 17-06 Access; Date Down Endorsement; etc.). Additional requirements may be stipulated prior to issuance of some endorsements and additional endorsement fees will apply to any such endorsement.

NOTE #4: The company is required under our Agency Contract with the underwriter to obtain approval for the issuance of the forthcoming policy and endorsements. We hereby reserve the right to further commitment pending approval from the underwriter.

NOTE #5: Unless otherwise specified, this Company has assigned this file to the following Underwriter for the policy to issue: Stewart Title Guaranty Company.

NOTE #6: If this transaction fails to close, a cancellation fee in the minimum amount of \$50.00 plus \$4.25 sales tax may be charged, the actual amount charged being dependant upon the work actually performed by the company. Please contact the company immediately to notify us of the necessity of cancelling this commitment.

END OF SPECIAL EXCEPTIONS

ALTA COMMITMENT

Order No.: 01-161040-S

**SCHEDULE B
Part II**

The following are the requirements to be complied with:

- Item (a) Payment to or for the account of the grantors or mortgagors of the full consideration for the estate or interest to be insured.
- Item (b) Proper instrument(s) creating the estate or interest to be insured must be executed and duly filed for record
- Note: Effective January 1, 1997, and pursuant to amendment of Washington state statutes relating to standardization of recorded documents, the following format and content requirements must be met. Failure to comply may result in rejection of the document by the recorder.

Format:

Margins to be 3" on top of first page, 1" on sides and bottom, 1" on top, sides and bottom of each succeeding page.

Font size of 8 points or larger and paper size of no more than 8 ½" by 14".

No attachments on pages such as stapled or taped notary seals, pressure seals must be smudged.

Information which must appear on the first page:

Title or titles of document. if assignment or reconveyance reference to auditor's file number or subject deed of trust.

Names of grantor(s) and grantee(s) with reference to additional names on following page(s), if any.

Abbreviated legal description (lot, block, plat name or section, township, range and quarter section for unplatted).

Assessor's tax parcel number(s)

Return address which may appear in the upper left hand 3" top margin

For your information, the abbreviated legal description for the subject property is as follows:

Ptn NW 1/4 Of NW 1/4, 17-34-4 E W.M.

EXCEPTIONS:

- A. Terms and conditions of the City of Mount Vernon Ordinance No. 3039, as recorded February 28, 2001, under Auditor's File No. 200102280025.
- B. Matters disclosed and/or delineated by that unrecorded ALTA/NSPS LAND TITLE SURVEY, dated September 23, 2016, prepared by Mark A. Borys PLS#46876, Job No. 160944, Terrane (Survey) 10801 Main Street, Suite 102, Bellevue, WA 98004.

COMMITMENT FOR TITLE INSURANCE

Issued by



Stewart Title Guaranty Company, a Texas Corporation ("Company"), for a valuable consideration, commits to issue its policy or policies of title insurance, as identified in Schedule A, in favor of the Proposed Insured named in Schedule A, as owner or mortgagee of the estate or interest in the land described or referred to in Schedule A, upon payment of the premiums and charges and compliance with the Requirements; all subject to the provisions of Schedules A and B and to the Conditions of this Commitment.


This Commitment shall be effective only when the identity of the Proposed Insured and the amount of the policy or policies committed for have been inserted in Schedule A by the Company.

All liability and obligation under this Commitment shall cease and terminate six months after the Effective Date or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue the policy or policies is not the fault of the Company.

The Company will provide a sample of the policy form upon request.

This commitment shall not be valid or binding until countersigned by a validating officer or authorized signatory.

IN WITNESS WHEREOF, Stewart Title Guaranty Company has caused its corporate name and seal to be affixed by its duly authorized officers on the date shown in Schedule A.


Chairman of the Board


- title guaranty company


President



Countersigned:


Authorized Countersignature

Company:

Address:

City, State Zip:

Land Title Company of Skagit County

P.O. Box 445

Burlington, WA 98233

CONDITIONS

1. The term mortgage, when used herein, shall include deed of trust, trust deed, or other security instrument.
2. If the proposed Insured has or acquired actual knowledge of any defect, lien, encumbrance, adverse claim or other matter affecting the estate or interest or mortgage thereon covered by this Commitment other than those shown in Schedule B hereof, and shall fail to disclose such knowledge to the Company in writing, the Company shall be relieved from liability for any loss or damage resulting from any act of reliance hereon to the extent the Company is prejudiced by failure to so disclose such knowledge. If the proposed Insured shall disclose such knowledge to the Company, or if the Company otherwise acquires actual knowledge of any such defect, lien, encumbrance, adverse claim or other matter, the Company at its option may amend Schedule B of this Commitment accordingly, but such amendment shall not relieve the Company from liability previously incurred pursuant to paragraph 3 of these Conditions and Stipulations.
3. Liability of the Company under this Commitment shall be only to the named proposed Insured and such parties included under the definition of Insured in the form of policy or policies committed for and only for actual loss incurred in reliance hereon in undertaking in good faith (a) to comply with the requirements hereof, or (b) to eliminate exceptions shown in Schedule B, or (c) to acquire or create the estate or interest or mortgage thereon covered by this Commitment. In no event shall such liability exceed the amount stated in Schedule A for the policy or policies committed for and such liability is subject to the insuring provisions and Conditions and Stipulations and the Exclusions from Coverage of the form of policy or policies committed for in favor of the proposed Insured which are hereby incorporated by reference and are made a part of this Commitment except as expressly modified herein.
4. This Commitment is a contract to issue one or more title insurance policies and is not an abstract of title or a report of the condition of title. Any action or actions or rights of action that the proposed Insured may have or may bring against the Company arising out of the status of the title to the estate or interest or the status of the mortgage thereon covered by this Commitment must be based on and are subject to the provisions of this Commitment.
5. *The policy to be issued contains an arbitration clause. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. You may review a copy of the arbitration rules at < <http://www.alta.org/>>.*



All notices required to be given the Company and any statement in writing required to be furnished the Company shall be addressed to it at P.O. Box 2029, Houston, Texas 77252.

LAND TITLE COMPANY OF SKAGIT COUNTY

P.O. Box 445

111 East George Hopper Road
Burlington, Washington 98233
(360) 707-2158 Fax: (360) 707-0460
(360) 707-2312 Fax: (360) 707-2012 Escrow Department
(360) 299-0565 Fax: (360) 299-0779 Anacortes Branch

Prepared For:

Windermere Skagit Valley

1030 E. College Way

Mount Vernon, WA 98273

Attn: Jim Koetje

Agent Order No.: 154338-S

Customer Reference:

Seller:

Hinton Family, LLC

Buyer/Borrower:

To come

By: Barry Tesch, Title Officer

barry@LTCO.com

For Service on this order call: 360-707-2158

SCHEDULE A

1. Effective Date: January 15, 2016 at 8:00 A.M.

2. Policy or Policies to be issued:

☒ ALTA Owner's Policy

Amount: \$ To come

☒ Standard ☐ Extended

Premium: \$

Proposed Insured:

Tax: \$

TO BE DETERMINED

☐ ALTA Loan Policy

Amount: \$

☐ Standard ☐ Extended

Premium: \$

Proposed Insured:

Tax: \$

3. The estate or interest in the land described or referred to in the Commitment and covered herein is:

FEE SIMPLE ESTATE

4. Title to the estate or interest in said land is at the effective date hereof vested in:

HINTON FAMILY, LLC, a Washington Limited Liability Company and GREGORY T. HINTON, as his separate property, as their interests may appear

5. The land referred to in this Commitment is in the State of Washington, County of Skagit and is described as follows:

(See Schedule "A-1," attached.)

Schedule "A-1"

154338-S

DESCRIPTION:

PARCEL "A":

That portion of the Northwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 17, Township 34 North, Range 4 East W.M., lying Southerly of the County Road along the North line thereof, lying Easterly of Old Highway 99 along the West line thereof, lying Northerly of a 60 foot strip conveyed to the City of Mount Vernon by deed dated July 3, 1959 and recorded July 10, 1959, as Auditor's File No. 582951 and lying Westerly of the West line (and Southerly extension of said West line) of a Tract conveyed to Keith S. Johnson, et al, by deed dated October 9, 1957 and recorded October 15, 1957, under Auditor's File No. 557246, records of Skagit County, Washington,

EXCEPT that portion deeded to the City of Mount Vernon by deed recorded under Auditor's File No. 8511050003.

Situate in the City of Mount Vernon, County of Skagit, State of Washington.

PARCEL "B":

A strip of land 10 feet in width lying Easterly of and adjacent to the East line of that certain tract in the Northwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 17, Township 34 North, Range 4 East, W.M., conveyed to Hinton Oldsmobile - G.M.C. Truck, Inc., a corporation, by deed dated May 28, 1968, recorded June 3, 1968, under Auditor's File No. 714268.

EXCEPTING from Parcels "A" and "B" above described, those portions deeded to the City of Mount Vernon by instrument recorded March 28, 2008, under Auditor's File No. 200803280001, records of Skagit County, Washington.

Situate in the City of Mount Vernon, County of Skagit, State of Washington.

ALTA COMMITMENT

Order No.: 154338-S

**SCHEDULE B
Part I**

Schedule B of the policy or policies to be issued will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the Company:

GENERAL EXCEPTIONS

- A. Taxes or assessments which are not shown as existing liens by the public records.
- B. (i) Unpatented mining claims, (ii) reservations or exceptions in patents or in acts authorizing the issuance thereof; (iii) water rights, claims or title to water, whether or not the matters excepted under are shown by the public records, (iv) Indian tribal codes or regulations, Indian treaty or aboriginal rights, including easements or equitable servitudes.
- C. Rights or claims of parties in possession not shown by the public records.
- D. Easements, claims of easements or encumbrances which are not shown by the public records.
- E. Encroachments, overlaps, boundary line disputes, or other matters which would be disclosed by an accurate survey and inspection of the premises and which are not shown by the public records.
- F. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
- G. Any service, installation, connection, maintenance, tap, capacity, construction or reimbursement charges for sewer, water, electricity or other utilities, or for garbage collection and disposal.
- H. Any titles or rights asserted by anyone, including but not limited to persons, corporations, governments, or other entities, to tidelands, or lands comprising the shores or bottoms of navigable rivers, lakes, bays ocean or gulf, or lands beyond the line of the harbor or bulkhead lines as established or changed by the United States Government, or riparian rights, if any.

SPECIAL EXCEPTIONS TO FOLLOW:

1. Excise tax, if unpaid, said tax in the City of Mount Vernon being **.0178**.

The basic rate charged by the State of Washington is .0128, plus a surcharge of .0050 being levied by Skagit County. Therefore, the total excise tax due will be figured by multiplying the sales price times .0178. **Effective July 1, 2005, transactions that are taxable an additional \$5.00 will be due.**

NOTE: Under the provision of Chapter 245, Laws of 1991 and 2005 (SHB 1316 and SBH 1240), transactions that are either tax exempt or the tax calculated is less than \$5.00 the total due for those transactions will be \$10.00.

2. General taxes for the year 2016 in an amount not yet available from the Skagit County Treasurer. Supplemental to follow upon availability.

Account No.: 340417-2-008-0005

Property Identification No.: P25918

CONTINUATION SHEET

SCHEDULE B

Order No.: 154338-S

EXCEPTIONS CONTINUED:

3. Municipal assessments and impact fees, if any, levied by the City of Mount Vernon.
4. DEED OF TRUST AND THE TERMS AND CONDITIONS THEREOF:

Grantor:	Hinton Family LLC, a Washington Limited Liability Company, and Gregory T. Hinton, as his separate property
Trustee:	Land Title Company of Skagit County
Beneficiary:	Skagit State Bank
Amount:	\$248,500.00
Dated:	July 29, 2011
Recorded:	August 1, 2011
Auditor's No.:	201108010067

5. ASSIGNMENT OF RENTS GIVEN AS ADDITIONAL SECURITY AND THE TERMS AND CONDITIONS THEREOF:

Assignor:	Hinton Family LLC, a Washington Limited Liability Company, and Gregory T. Hinton, as his separate property
Assignee:	Skagit State Bank
Amount:	Not disclosed
Dated:	July 29, 2011
Recorded:	August 1, 2011
Auditor's No.:	201108010068

6. Unrecorded leaseholds, if any; rights of vendors and holders of security interests on personal property installed upon said property, and rights of tenants to remove trade fixtures at the expiration of the term.
7. Easements, restrictions, and other matters shown on Schedule "B-1" attached are also excepted from coverage. The easements, restrictions and other matters shown as lettered exceptions on Schedule "B-1" are excepted from policy coverage to the same extent that the numbered Schedule "B" Special Exceptions shown herein are excepted from policy coverage.

NOTE #1: General taxes, together with interest, penalty and statutory foreclosure costs, if any, first half delinquent May 1, 2015, if unpaid, second half delinquent November 1, 2015, if unpaid:

<u>Account No.</u>	<u>Year</u>	<u>Amount Billed</u>	<u>Amount Paid</u>	<u>Balance Owing</u>
340417-2-008-0005	2015	\$33,866.15	\$33,866.15	\$ 0.00

Property I.D. No.: P25918

NOTE #2: Until such time as the amount of liability for the forthcoming policy is disclosed and entered on the face of this commitment as the amount of the policy to be issued, it is agreed by every person relying on this commitment that the company will not be required to approve any policy amount in excess of the assessed value of the subject property, namely \$2,035,100.00, and our total liability under this commitment shall not exceed that amount.

CONTINUATION SHEET

SCHEDULE B

Order No.: 154338-S

EXCEPTIONS CONTINUED:

NOTE #3: Matters which may be disclosed by a search of the appropriate records on the name(s) of the forthcoming purchaser(s). Supplemental to follow upon disclosure of name(s).

NOTE #4: A copy of the formation documents and operating agreement for the limited liability company herein named must be submitted to the company to determine the identity and power of the person(s) qualified to execute instruments on behalf of said company.

Limited Liability Company: Hinton Family LLC

NOTE #5: According to records in the office of the Skagit County Treasurer, the address of the subject property is:

2400 Riverside Drive
Mount Vernon, WA 98273.

NOTE #6: Unless otherwise specified, this Company has assigned this file to the following Underwriter for the policy to issue: Stewart Title Guaranty Company.

NOTE #7: If this transaction fails to close, a cancellation fee in the minimum amount of \$50.00 plus \$4.25 sales tax may be charged, the actual amount charged being dependant upon the work actually performed by the company. Please contact the company immediately to notify us of the necessity of cancelling this commitment.

END OF SPECIAL EXCEPTIONS

ALTA COMMITMENT

Order No.: 154338-S

**SCHEDULE B
Part II**

The following are the requirements to be complied with:

- Item (a) Payment to or for the account of the grantors or mortgagors of the full consideration for the estate or interest to be insured.
- Item (b) Proper instrument(s) creating the estate or interest to be insured must be executed and duly filed for record
- Note: Effective January 1, 1997, and pursuant to amendment of Washington state statutes relating to standardization of recorded documents, the following format and content requirements must be met. Failure to comply may result in rejection of the document by the recorder.

Format:

Margins to be 3" on top of first page, 1" on sides and bottom, 1" on top, sides and bottom of each succeeding page.

Font size of 8 points or larger and paper size of no more than 8 ½" by 14".

No attachments on pages such as stapled or taped notary seals, pressure seals must be smudged.

Information which must appear on the first page:

Title or titles of document. if assignment or reconveyance reference to auditor's file number or subject deed of trust.

Names of grantor(s) and grantee(s) with reference to additional names on following page(s), if any.

Abbreviated legal description (lot, block, plat name or section, township, range and quarter section for unplatted).

Assessor's tax parcel number(s)

Return address which may appear in the upper left hand 3" top margin

For your information, the abbreviated legal description for the subject property is as follows:

Ptn NW 1/4 Of NW 1/4, 17-34-4 E W.M.

EXCEPTIONS:

- A. Terms and conditions of the City of Mount Vernon Ordinance No. 3039, as recorded February 28, 2001, under Auditor's File No. 200102280025.

RETURN ADDRESS:
Skagit State Bank
Main Office
301 E. Fairhaven Ave
P O Box 285
Burlington, WA 98233



201108010067
Skagit County Auditor

8/1/2011 Page 1 of 10 1:24PM

LAND TITLE OF SKAGIT COUNTY



DEED%#####%#####%07-29-2011*

DEED OF TRUST

DATE: July 29, 2011

Reference # (if applicable): 139915-S

Additional on page ____

Grantor(s):

1. HINTON FAMILY LLC
2. HINTON, GREGORY T

Grantee(s)

1. Skagit State Bank
2. Land Title Company of Skagit County, Trustee

Legal Description: Ptn NW 1/4 of NW 1/4, 17-34-4 E W.M.

Additional on page ____

Assessor's Tax Parcel ID#: 340417-2-008-0005 (P25918)

THIS DEED OF TRUST is dated July 29, 2011, among HINTON FAMILY LLC, a Washington Limited Liability Company, whose address is 18105 NE 23RD STREET, REDMOND, WA 98052-6001 and GREGORY T HINTON, as his separate property, whose address is 9428 SAMISH ISLAND RD, BOW, WA 98232 ("Grantor"); Skagit State Bank, whose mailing address is Main Office, 301 E. Fairhaven Ave, P O Box 285, Burlington, WA 98233 (referred to below sometimes as "Lender" and sometimes as "Beneficiary"); and Land Title Company of Skagit County, whose mailing address is P O Box 445, Burlington, WA 98233 (referred to below as "Trustee").

**DEED OF TRUST
(Continued)**

Page 2

CONVEYANCE AND GRANT. For valuable consideration, Grantor conveys to Trustee in trust with power of sale, right of entry and possession and for the benefit of Lender as Beneficiary, all of Grantor's right, title, and interest in and to the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easements, rights of way, and appurtenances; all water, water rights and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, (the "Real Property") located in SKAGIT County, State of Washington:

See Schedule A-1, which is attached to this Deed of Trust and made a part of this Deed of Trust as if fully set forth herein.

The Real Property or its address is commonly known as 2400 RIVERSIDE DR, MOUNT VERNON, WA 98273. The Real Property tax identification number is 340417-2-008-0005 (P25918).

CROSS-COLLATERALIZATION. In addition to the Note, this Deed of Trust secures all obligations, debts and liabilities, plus interest thereon, of either Grantor or Borrower to Lender, or any one or more of them, as well as all claims by Lender against Borrower and Grantor or any one or more of them, whether now existing or hereafter arising, whether related or unrelated to the purpose of the Note, whether voluntary or otherwise, whether due or not due, direct or indirect, determined or undetermined, absolute or contingent, liquidated or unliquidated, whether Borrower or Grantor may be liable individually or jointly with others, whether obligated as guarantor, surety, accommodation party or otherwise, and whether recovery upon such amounts may be or hereafter may become barred by any statute of limitations, and whether the obligation to repay such amounts may be or hereafter may become otherwise unenforceable.

Grantor hereby assigns as security to Lender, all of Grantor's right, title, and interest in and to all leases, Rents, and profits of the Property. This assignment is recorded in accordance with RCW 65.08.070; the lien created by this assignment is intended to be specific, perfected and choate upon the recording of this Deed of Trust. Lender grants to Grantor a license to collect the Rents and profits, which license may be revoked at Lender's option and shall be automatically revoked upon acceleration of all or part of the indebtedness. In addition, Grantor grants to Lender a Uniform Commercial Code security interest in the Personal Property and Rents.

THIS DEED OF TRUST, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (A) PAYMENT OF THE INDEBTEDNESS AND (B) PERFORMANCE OF ANY AND ALL OBLIGATIONS UNDER THIS DEED OF TRUST. THIS DEED OF TRUST IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

GRANTOR'S REPRESENTATIONS AND WARRANTIES. Grantor warrants that: (a) this Deed of Trust is executed at Borrower's request and not at the request of Lender; (b) Grantor has the full power, right, and authority to enter into this Deed of Trust and to hypothecate the Property; (c) the provisions of this Deed of Trust do not conflict with, or result in a default under any agreement or other instrument binding upon Grantor and do not result in a violation of any law, regulation, court decree or order applicable to Grantor; (d) Grantor has established adequate means of obtaining from Borrower on a continuing basis information about Borrower's financial condition; and (e) Lender has made no representation to Grantor about Borrower (including without limitation the creditworthiness of Borrower).

GRANTOR'S WAIVERS. Grantor waives all rights or defenses arising by reason of any "one action" or "anti-deficiency" law, or any other law which may prevent Lender from bringing any action against Grantor, including a claim for deficiency to the extent Lender is otherwise entitled to a claim for deficiency, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale.

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Deed of Trust, Borrower and Grantor shall pay to Lender all indebtedness secured by this Deed of Trust as it becomes due, and Borrower and Grantor shall strictly perform all their respective obligations under the Note, this Deed of Trust, and the Related Documents.

POSSESSION AND MAINTENANCE OF THE PROPERTY. Borrower and Grantor agree that Borrower's and Grantor's possession and use of the Property shall be governed by the following provisions:

Possession and Use. Until the occurrence of an Event of Default, Grantor may (1) remain in possession and control of the Property; (2) use, operate or manage the Property; and (3) collect the Rents from the Property (this privilege is a license from Lender to Grantor automatically revoked upon default). The following provisions relate to the use of the Property or to other limitations on the Property. The Real Property is not used principally for agricultural purposes.

Duty to Maintain. Grantor shall maintain the Property in tenable condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

Nuisance, Waste. Grantor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the Property or any portion of the Property. Without limiting the generality of the foregoing, Grantor will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), coal, clay, scoria, soil, gravel or rock products without Lender's prior written consent.

Removal of Improvements. Grantor shall not demolish or remove any Improvements from the Real Property without Lender's prior written consent. As a condition to the removal of any Improvements, Lender may require Grantor to make arrangements satisfactory to Lender to replace such Improvements with Improvements of at least equal value.

Lender's Right to Enter. Lender and Lender's agents and representatives may enter upon the Real Property at all reasonable times to attend to Lender's interests and to inspect the Real Property for purposes of Grantor's compliance with the terms and conditions of this Deed of Trust.

Compliance with Governmental Requirements. Grantor shall promptly comply, and shall promptly cause compliance by all agents, tenants or other persons or entities of every nature whatsoever who rent, lease or otherwise use or occupy the Property in any manner, with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property, including without limitation, the Americans With Disabilities Act. Grantor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Grantor has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Property are not jeopardized. Lender may require Grantor to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

Duty to Protect. Grantor agrees neither to abandon or leave unattended the Property. Grantor shall do all other



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acts, in addition to those acts set forth above in this section, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

DUE ON SALE - CONSENT BY LENDER. Lender may, at Lender's option, (A) declare immediately due and payable all sums secured by this Deed of Trust or (B) increase the interest rate provided for in the Note or other document evidencing the indebtedness and impose such other conditions as Lender deems appropriate, upon the sale or transfer, without Lender's prior written consent, of all or any part of the Real Property, or any interest in the Real Property. A "sale or transfer" means the conveyance of Real Property or any right, title or interest in the Real Property; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Real Property, or by any other method of conveyance of an interest in the Real Property. If any Grantor is a corporation, partnership or limited liability company, transfer also includes any change in ownership of more than twenty-five percent (25%) of the voting stock, partnership interests or limited liability company interests, as the case may be, of such Grantor. However, this option shall not be exercised by Lender if such exercise is prohibited by federal law or by Washington law.

TAXES AND LIENS. The following provisions relating to the taxes and liens on the Property are part of this Deed of Trust:

Payment. Grantor shall pay when due (and in all events prior to delinquency) all taxes, special taxes, assessments, charges (including water and sewer), fines and impositions levied against or on account of the Property, and shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Grantor shall maintain the Property free of all liens having priority over or equal to the interest of Lender under this Deed of Trust, except for the lien of taxes and assessments not due and except as otherwise provided in this Deed of Trust.

Right to Contest. Grantor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Lender's interest in the Property is not jeopardized. If a lien arises or is filed as a result of nonpayment, Grantor shall within fifteen (15) days after the lien arises or, if a lien is filed, within fifteen (15) days after Grantor has notice of the filing, secure the discharge of the lien, or if requested by Lender, deposit with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender in an amount sufficient to discharge the lien plus any costs and attorneys' fees, or other charges that could accrue as a result of a foreclosure or sale under the lien. In any contest, Grantor shall defend itself and Lender and shall satisfy any adverse judgment before enforcement against the Property. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

Evidence of Payment. Grantor shall upon demand furnish to Lender satisfactory evidence of payment of the taxes or assessments and shall authorize the appropriate governmental official to deliver to Lender at any time a written statement of the taxes and assessments against the Property.

Notice of Construction. Grantor shall notify Lender at least fifteen (15) days before any work is commenced, any services are furnished, or any materials are supplied to the Property, if any mechanic's lien, materialmen's lien, or other lien could be asserted on account of the work, services, or materials. Grantor will upon request of Lender furnish to Lender advance assurances satisfactory to Lender that Grantor can and will pay the cost of such improvements.

PROPERTY DAMAGE INSURANCE. The following provisions relating to insuring the Property are a part of this Deed of Trust:

Maintenance of Insurance. Grantor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a fair value basis for the full insurable value covering all improvements on the Real Property in an amount sufficient to avoid application of any coinsurance clause, and with a standard mortgagee clause in favor of Lender. Grantor shall also procure and maintain comprehensive general liability insurance in such coverage amounts as Lender may request with Trustee and Lender being named as additional insureds in such liability insurance policies. Additionally, Grantor shall maintain such other insurance, including but not limited to hazard, business interruption, and boiler insurance, as Lender may reasonably require. Policies shall be written in form, amounts, coverages and basis reasonably acceptable to Lender and issued by a company or companies reasonably acceptable to Lender. Grantor, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be cancelled or diminished without at least thirty (30) days prior written notice to Lender. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. The Real Property is or will be located in an area designated by the Director of the Federal Emergency Management Agency as a special flood hazard area. Grantor agrees to obtain and maintain Federal Flood Insurance, if available, for the full unpaid principal balance of the loan and any prior liens on the property securing the loan, up to the maximum policy limits set under the National Flood Insurance Program, or as otherwise required by Lender, and to maintain such insurance for the term of the loan.

Application of Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Property. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. Whether or not Lender's security is impaired, Lender may, at Lender's election, receive and retain the proceeds of any insurance and apply the proceeds to the reduction of the indebtedness, payment of any lien affecting the Property, or the restoration and repair of the Property. If Lender elects to apply the proceeds to restoration and repair, Grantor shall repair or replace the damaged or destroyed improvements in a manner satisfactory to Lender. Lender shall, upon satisfactory proof of such expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration if Grantor is not in default under this Deed of Trust. Any proceeds which have not been disbursed within 180 days after their receipt and which Lender has not committed to the repair or restoration of the Property shall be used first to pay any amount owing to Lender under this Deed of Trust, then to pay accrued interest, and the remainder, if any, shall be applied to the principal balance of the indebtedness. If Lender holds any proceeds after payment in full of the indebtedness, such proceeds shall be paid without interest to Grantor as Grantor's interests may appear.

Grantor's Report on Insurance. Upon request of Lender, however not more than once a year, Grantor shall furnish to Lender a report on each existing policy of insurance showing: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the property insured, the then current replacement value of such property, and the manner of determining that value; and (5) the expiration date of the policy. Grantor shall, upon request of Lender, have an independent appraiser satisfactory to Lender determine the cash value replacement cost of the Property.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Property or if Grantor fails to comply with any provision of this Deed of Trust or any Related Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Deed of Trust or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take



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any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Property and paying all costs for insuring, maintaining and preserving the Property. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Deed of Trust also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default.

WARRANTY: DEFENSE OF TITLE. The following provisions relating to ownership of the Property are a part of this Deed of Trust:

Title. Grantor warrants that: (a) Grantor holds good and marketable title of record to the Property in fee simple, free and clear of all liens and encumbrances other than those set forth in the Real Property description or in any title insurance policy, title report, or final title opinion issued in favor of, and accepted by, Lender in connection with this Deed of Trust, and (b) Grantor has the full right, power, and authority to execute and deliver this Deed of Trust to Lender.

Defense of Title. Subject to the exception in the paragraph above, Grantor warrants and will forever defend the title to the Property against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Grantor's title or the interest of Trustee or Lender under this Deed of Trust, Grantor shall defend the action at Grantor's expense. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of Lender's own choice, and Grantor will deliver, or cause to be delivered, to Lender such instruments as Lender may request from time to time to permit such participation.

Compliance With Laws. Grantor warrants that the Property and Grantor's use of the Property complies with all existing applicable laws, ordinances, and regulations of governmental authorities.

Survival of Representations and Warranties. All representations, warranties, and agreements made by Grantor in this Deed of Trust shall survive the execution and delivery of this Deed of Trust, shall be continuing in nature, and shall remain in full force and effect until such time as Borrower's indebtedness shall be paid in full.

CONDEMNATION. The following provisions relating to condemnation proceedings are a part of this Deed of Trust:

Proceedings. If any proceeding in condemnation is filed, Grantor shall promptly notify Lender in writing, and Grantor shall promptly take such steps as may be necessary to defend the action and obtain the award. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of its own choice all at Grantor's expense, and Grantor will deliver or cause to be delivered to Lender such instruments and documentation as may be requested by Lender from time to time to permit such participation.

Application of Net Proceeds. If all or any part of the Property is condemned by eminent domain proceedings or by any proceeding or purchase in lieu of condemnation, Lender may at its election require that all or any portion of the net proceeds of the award be applied to the indebtedness or the repair or restoration of the Property. The net proceeds of the award shall mean the award after payment of all reasonable costs, expenses, and attorneys' fees incurred by Trustee or Lender in connection with the condemnation.

IMPOSITION OF TAXES, FEES AND CHARGES BY GOVERNMENTAL AUTHORITIES. The following provisions relating to governmental taxes, fees and charges are a part of this Deed of Trust:

Current Taxes, Fees and Charges. Upon request by Lender, Grantor shall execute such documents in addition to this Deed of Trust and take whatever other action is requested by Lender to perfect and continue Lender's lien on the Real Property. Grantor shall reimburse Lender for all taxes, as described below, together with all expenses incurred in recording, perfecting or continuing this Deed of Trust, including without limitation all taxes, fees, documentary stamps, and other charges for recording or registering this Deed of Trust.

Taxes. The following shall constitute taxes to which this section applies: (1) a specific tax upon this type of Deed of Trust or upon all or any part of the indebtedness secured by this Deed of Trust; (2) a specific tax on Borrower which Borrower is authorized or required to deduct from payments on the indebtedness secured by this type of Deed of Trust; (3) a tax on this type of Deed of Trust chargeable against the Lender or the holder of the Note; and (4) a specific tax on all or any portion of the indebtedness or on payments of principal and interest made by Borrower.

Subsequent Taxes. If any tax to which this section applies is enacted subsequent to the date of this Deed of Trust, this event shall have the same effect as an Event of Default, and Lender may exercise any or all of its available remedies for an Event of Default as provided below unless Grantor either (1) pays the tax before it becomes delinquent, or (2) contests the tax as provided above in the Taxes and Liens section and deposits with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender.

SECURITY AGREEMENT; FINANCING STATEMENTS. The following provisions relating to this Deed of Trust as a security agreement are a part of this Deed of Trust:

Security Agreement. This instrument shall constitute a Security Agreement to the extent any of the Property constitutes fixtures, and Lender shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to time.

Security Interest. Upon request by Lender, Grantor shall take whatever action is requested by Lender to perfect and continue Lender's security interest in the Rents and Personal Property. In addition to recording this Deed of Trust in the real property records, Lender may, at any time and without further authorization from Grantor, file executed counterparts, copies or reproductions of this Deed of Trust as a financing statement. Grantor shall reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon default, Grantor shall not remove, sever or detach the Personal Property from the Property. Upon default, Grantor shall assemble any Personal Property not affixed to the Property in a manner and at a place reasonably convenient to Grantor and Lender and make it available to Lender within three (3) days after receipt of written demand from Lender to the extent permitted by applicable law.

Addresses. The mailing addresses of Grantor (debtor) and Lender (secured party) from which information concerning the security interest granted by this Deed of Trust may be obtained (each as required by the Uniform Commercial Code) are as stated on the first page of this Deed of Trust.

FURTHER ASSURANCES; ATTORNEY-IN-FACT. The following provisions relating to further assurances and attorney-in-fact are a part of this Deed of Trust:



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Further Assurances. At any time, and from time to time, upon request of Lender, Grantor will make, execute and deliver, or will cause to be made, executed or delivered, to Lender or to Lender's designee, and when requested by Lender, cause to be filed, recorded, refiled, or rerecorded, as the case may be, at such times and in such offices and places as Lender may deem appropriate, any and all such mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements, instruments of further assurance, certificates, and other documents as may, in the sole opinion of Lender, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve (1) Borrower's and Grantor's obligations under the Note, this Deed of Trust, and the Related Documents, and (2) the liens and security interests created by this Deed of Trust as first and prior liens on the Property, whether now owned or hereafter acquired by Grantor. Unless prohibited by law or Lender agrees to the contrary in writing, Grantor shall reimburse Lender for all costs and expenses incurred in connection with the matters referred to in this paragraph.

Attorney-in-Fact. If Grantor fails to do any of the things referred to in the preceding paragraph, Lender may do so for and in the name of Grantor and at Grantor's expense. For such purposes, Grantor hereby irrevocably appoints Lender as Grantor's attorney-in-fact for the purpose of making, executing, delivering, filing, recording, and doing all other things as may be necessary or desirable, in Lender's sole opinion, to accomplish the matters referred to in the preceding paragraph.

FULL PERFORMANCE. If Borrower and Grantor pay all the indebtedness when due, and Grantor otherwise performs all the obligations imposed upon Grantor under this Deed of Trust, Lender shall execute and deliver to Trustee a request for full reconveyance and shall execute and deliver to Grantor suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Personal Property. Any reconveyance fee shall be paid by Grantor, if permitted by applicable law. The grantee in any reconveyance may be described as the "person or persons legally entitled thereto", and the recitals in the reconveyance of any matters or facts shall be conclusive proof of the truthfulness of any such matters or facts.

EVENTS OF DEFAULT. Each of the following, at Lender's option, shall constitute an Event of Default under this Deed of Trust:

Payment Default. Borrower fails to make any payment when due under the Indebtedness.

Other Defaults. Borrower or Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Deed of Trust or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower or Grantor.

Compliance Default. Failure to comply with any other term, obligation, covenant or condition contained in this Deed of Trust, the Note or in any of the Related Documents.

Default on Other Payments. Failure of Grantor within the time required by this Deed of Trust to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to effect discharge of any lien.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or Grantor or on Borrower's or Grantor's behalf under this Deed of Trust or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Defective Collateralization. This Deed of Trust or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Death or Insolvency. The dissolution of Grantor's (regardless of whether election to continue is made), any member withdraws from the limited liability company, or any other termination of Borrower's or Grantor's existence as a going business or the death of any member, the insolvency of Borrower or Grantor, the appointment of a receiver for any part of Borrower's or Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower or Grantor.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or Grantor or by any governmental agency against any property securing the Indebtedness. This includes a garnishment of any of Borrower's or Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower or Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower or Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Breach of Other Agreement. Any breach by Borrower or Grantor under the terms of any other agreement between Borrower or Grantor and Lender that is not remedied within any grace period provided therein, including without limitation any agreement concerning any indebtedness or other obligation of Borrower or Grantor to Lender, whether existing now or later.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

Adverse Change. A material adverse change occurs in Borrower's or Grantor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

Insecurity. Lender in good faith believes itself insecure.

RIGHTS AND REMEDIES ON DEFAULT. If an Event of Default occurs under this Deed of Trust, at any time thereafter, Trustee or Lender may exercise any one or more of the following rights and remedies:

Election of Remedies. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Deed of Trust, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies.

Accelerate Indebtedness. Lender shall have the right at its option to declare the entire Indebtedness immediately due and payable, including any prepayment penalty which Borrower would be required to pay.

Foreclosure. With respect to all or any part of the Real Property, the Trustee shall have the right to exercise its power of sale and to foreclose by notice and sale, and Lender shall have the right to foreclose by judicial foreclosure, in either case in accordance with and to the full extent provided by applicable law.

UCC Remedies. With respect to all or any part of the Personal Property, Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code.



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Collect Rents. Lender shall have the right, without notice to Borrower or Grantor to take possession of and manage the Property and collect the Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the Indebtedness. In furtherance of this right, Lender may require any tenant or other user of the Property to make payments of rent or use fees directly to Lender. If the Rents are collected by Lender, then Grantor irrevocably designates Lender as Grantor's attorney-in-fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender in response to Lender's demand shall satisfy the obligations for which the payments are made, whether or not any proper grounds for the demand existed. Lender may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property preceding or pending foreclosure or sale, and to collect the Rents from the Property and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Property exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

Tenancy at Sufferance. If Grantor remains in possession of the Property after the Property is sold as provided above or Lender otherwise becomes entitled to possession of the Property upon default of Borrower or Grantor, Grantor shall become a tenant at sufferance of Lender or the purchaser of the Property and shall, at Lender's option, either (1) pay a reasonable rental for the use of the Property, or (2) vacate the Property immediately upon the demand of Lender.

Other Remedies. Trustee or Lender shall have any other right or remedy provided in this Deed of Trust or the Note or available at law or in equity.

Notice of Sale. Lender shall give Grantor reasonable notice of the time and place of any public sale of the Personal Property or of the time after which any private sale or other intended disposition of the Personal Property is to be made. Reasonable notice shall mean notice given at least ten (10) days before the time of the sale or disposition. Any sale of the Personal Property may be made in conjunction with any sale of the Real Property.

Sale of the Property. To the extent permitted by applicable law, Borrower and Grantor hereby waives any and all rights to have the Property marshalled. In exercising its rights and remedies, the Trustee or Lender shall be free to sell all or any part of the Property together or separately, in one sale or by separate sales. Lender shall be entitled to bid at any public sale on all or any portion of the Property.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Deed of Trust, Lender shall be entitled to recover such sums as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees, title insurance, and fees for the Trustee, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law.

Rights of Trustee. Trustee shall have all of the rights and duties of Lender as set forth in this section.

POWERS AND OBLIGATIONS OF TRUSTEE. The following provisions relating to the powers and obligations of Trustee (pursuant to Lender's instructions) are part of this Deed of Trust:

Powers of Trustee. In addition to all powers of Trustee arising as a matter of law, Trustee shall have the power to take the following actions with respect to the Property upon the written request of Lender and Grantor: (a) join in preparing and filing a map or plat of the Real Property, including the dedication of streets or other rights to the public; (b) join in granting any easement or creating any restriction on the Real Property; and (c) join in any subordination or other agreement affecting this Deed of Trust or the interest of Lender under this Deed of Trust.

Obligations to Notify. Trustee shall not be obligated to notify any other party of a pending sale under any other trust deed or lien, or of any action or proceeding in which Grantor, Lender, or Trustee shall be a party, unless required by applicable law, or unless the action or proceeding is brought by Trustee.

Trustee. Trustee shall meet all qualifications required for Trustee under applicable law. In addition to the rights and remedies set forth above, with respect to all or any part of the Property, the Trustee shall have the right to foreclose by notice and sale, and Lender shall have the right to foreclose by judicial foreclosure, in either case in accordance with and to the full extent provided by applicable law.

Successor Trustee. Lender, at Lender's option, may from time to time appoint a successor Trustee to any Trustee appointed under this Deed of Trust by an instrument executed and acknowledged by Lender and recorded in the office of the recorder of SKAGIT County, State of Washington. The instrument shall contain, in addition to all other matters required by state law, the names of the original Lender, Trustee, and Grantor, the book and page or the Auditor's File Number where this Deed of Trust is recorded, and the name and address of the successor trustee, and the instrument shall be executed and acknowledged by Lender or its successors in interest. The successor trustee, without conveyance of the Property, shall succeed to all the title, power, and duties conferred upon the Trustee in this Deed of Trust and by applicable law. This procedure for substitution of Trustee shall govern to the exclusion of all other provisions for substitution.

NOTICES. Subject to applicable law, and except for notice required or allowed by law to be given in another manner, any notice required to be given under this Deed of Trust, including without limitation any notice of default and any notice of sale shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Deed of Trust. All copies of notices of foreclosure from the holder of any lien which has priority over this Deed of Trust shall be sent to Lender's address, as shown near the beginning of this Deed of Trust. Any party may change its address for notices under this Deed of Trust by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. Subject to applicable law, and except for notice required or allowed by law to be given in another manner, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Deed of Trust:



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**DEED OF TRUST
(Continued)**

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Amendments. This Deed of Trust, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Deed of Trust. No alteration of or amendment to this Deed of Trust shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Annual Reports. If the Property is used for purposes other than Grantor's residence, Grantor shall furnish to Lender, upon request, a certified statement of net operating income received from the Property during Grantor's previous fiscal year in such form and detail as Lender shall require. "Net operating income" shall mean all cash receipts from the Property less all cash expenditures made in connection with the operation of the Property.

Caption Headings. Caption headings in this Deed of Trust are for convenience purposes only and are not to be used to interpret or define the provisions of this Deed of Trust.

Merger. There shall be no merger of the interest or estate created by this Deed of Trust with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

Governing Law. This Deed of Trust will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Washington without regard to its conflicts of law provisions. This Deed of Trust has been accepted by Lender in the State of Washington.

Joint and Several Liability. All obligations of Borrower and Grantor under this Deed of Trust shall be joint and several, and all references to Grantor shall mean each and every Grantor, and all references to Borrower shall mean each and every Borrower. This means that each Grantor signing below is responsible for all obligations in this Deed of Trust. Where any one or more of the parties is a corporation, partnership, limited liability company or similar entity, it is not necessary for Lender to inquire into the powers of any of the officers, directors, partners, members, or other agents acting or purporting to act on the entity's behalf, and any obligations made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Deed of Trust.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Deed of Trust unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Deed of Trust shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Deed of Trust. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Deed of Trust, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Severability. If a court of competent jurisdiction finds any provision of this Deed of Trust to be illegal, invalid, or unenforceable as to any person or circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other person or circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Deed of Trust. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Deed of Trust shall not affect the legality, validity or enforceability of any other provision of this Deed of Trust.

Successors and Assigns. Subject to any limitations stated in this Deed of Trust on transfer of Grantor's interest, this Deed of Trust shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Deed of Trust and the indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Deed of Trust or liability under the indebtedness.

Time is of the Essence. Time is of the essence in the performance of this Deed of Trust.

Waiver of Homestead Exemption. Grantor hereby releases and waives all rights and benefits of the homestead exemption laws of the State of Washington as to all indebtedness secured by this Deed of Trust.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Deed of Trust. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Deed of Trust shall have the meanings attributed to such terms in the Uniform Commercial Code:

Beneficiary. The word "Beneficiary" means Skagit State Bank, and its successors and assigns.

Borrower. The word "Borrower" means HINTON FAMILY LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Deed of Trust. The words "Deed of Trust" mean this Deed of Trust among Grantor, Lender, and Trustee, and includes without limitation all assignment and security interest provisions relating to the Personal Property and Rents.

Default. The word "Default" means the Default set forth in this Deed of Trust in the section titled "Default".

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Deed of Trust in the events of default section of this Deed of Trust.

Grantor. The word "Grantor" means HINTON FAMILY LLC and GREGORY T HINTON.

Guarantor. The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the Indebtedness.

Guaranty. The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

Improvements. The word "Improvements" means all existing and future improvements, buildings, structures, mobile homes affixed on the Real Property, facilities, additions, replacements and other construction on the Real Property.

Indebtedness. The word "Indebtedness" means all principal, interest, and other amounts, costs and expenses payable under the Note or Related Documents, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for the Note or Related Documents and any amounts expended or advanced by Lender to discharge Grantor's obligations or expenses incurred by Trustee or Lender to enforce Grantor's obligations under this Deed of Trust, together with interest on such amounts as provided in this Deed of Trust. Specifically, without limitation, Indebtedness includes all amounts that may be indirectly secured by the Cross-Collateralization provision of this Deed of Trust.



DEED OF TRUST
(Continued)

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Lender. The word "Lender" means Skagit State Bank, its successors and assigns.

Note. The word "Note" means the promissory note dated July 29, 2011, in the original principal amount of \$248,500.00 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement. **NOTICE TO GRANTOR: THE NOTE CONTAINS A VARIABLE INTEREST RATE.**

Personal Property. The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached or affixed to the Real Property; together with all accessions, parts, and additions to, all replacements of, and all substitutions for, any of such property; and together with all issues and profits thereon and proceeds (including without limitation all insurance proceeds and refunds of premiums) from any sale or other disposition of the Property.

Property. The word "Property" means collectively the Real Property and the Personal Property.

Real Property. The words "Real Property" mean the real property, interests and rights, as further described in this Deed of Trust.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the indebtedness; provided, that guaranties and environmental indemnity agreements are not "Related Documents" and are not secured by this Deed of Trust.

Rents. The word "Rents" means all present and future rents, revenues, income, issues, royalties, profits, and other benefits derived from the Property.

Trustees. The word "Trustees" means Land Title Company of Skagit County, whose mailing address is P O Box 445, Burlington, WA 98233 and any substitute or successor trustees.

EACH GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS DEED OF TRUST, AND EACH GRANTOR AGREES TO ITS TERMS.

GRANTOR:

HINTON FAMILY LLC

By: Susan K Hinton
SUSAN K HINTON, Manager of HINTON FAMILY LLC

X Gregory T Hinton
GREGORY T HINTON

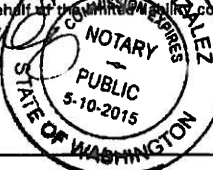
LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF Washington

COUNTY OF Skagit

On this 29th day of July, 2011, before me, the undersigned Notary Public, personally appeared SUSAN K HINTON Manager of HINTON FAMILY LLC, and personally known to me or proved to me on the basis of satisfactory evidence to be a member or designated agent of the limited liability company that executed the Deed of Trust and acknowledged the Deed of Trust to be the free and voluntary act and deed of the limited liability company, by authority of statute, its articles of organization or its operating agreement, for the uses and purposes therein mentioned, and on each stated that he or she is authorized to execute this Deed of Trust and in fact executed the Deed of Trust on behalf of the limited liability company.

By Susan K Hinton Residing at Burlington
Notary Public in and for the State of WA My commission expires 5-10-15



DEED OF TRUST
(Continued)

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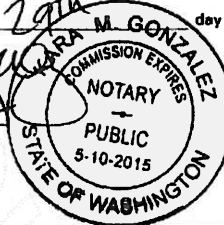
INDIVIDUAL ACKNOWLEDGMENT

STATE OF Washington)
) SS
COUNTY OF Skagit)

On this day before me, the undersigned Notary Public, personally appeared GREGORY T HINTON, personally known to me or proved to me on the basis of satisfactory evidence to be the individual described in and who executed the Deed of Trust, and acknowledged that he or she signed the Deed of Trust as his or her free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 29th day of July, 20 11

By [Signature] Residing at Burlington
Notary Public in and for the State of WA My commission expires 5-10-15



REQUEST FOR FULL RECONVEYANCE

To: _____, Trustee

The undersigned is the legal owner and holder of all indebtedness secured by this Deed of Trust. You are hereby requested, upon payment of all sums owing to you, to reconvey without warranty, to the persons entitled thereto, the right, title and interest now held by you under the Deed of Trust.

Date: _____ Beneficiary: _____
By: _____
Its: _____

LASER PRO Lending, Ver. 5.57.00.004 Copr. Harland Financial Solutions, Inc. 1997, 2011. All Rights Reserved.
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Schedule "A-1"

139915-S

DESCRIPTION:

PARCEL "A":

That portion of the Northwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 17, Township 34 North, Range 4 East W.M., lying Southerly of the County Road along the North line thereof, lying Easterly of Old Highway 99 along the West line thereof, lying Northerly of a 60 foot strip conveyed to the City of Mount Vernon by deed dated July 3, 1959 and recorded July 10, 1959, as Auditor's File No. 582951 and lying Westerly of the West line (and Southerly extension of said West line) of a Tract conveyed to Keith S. Johnson, et al, by deed dated October 9, 1957 and recorded October 15, 1957, under Auditor's File No. 557246, records of Skagit County, Washington,

EXCEPT that portion deeded to the City of Mount Vernon by deed recorded under Auditor's File No. 8511050003.

Situate in the City of Mount Vernon, County of Skagit, State of Washington.

PARCEL "B":

A strip of land 10 feet in width lying Easterly of and adjacent to the East line of that certain tract in the Northwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 17, Township 34 North, Range 4 East, W.M., conveyed to Hinton Oldsmobile - G.M.C. Truck, Inc., a corporation, by deed dated May 28, 1968, recorded June 3, 1968, under Auditor's File No. 714268.

EXCEPTING from Parcels "A" and "B" above described, those portions deeded to the City of Mount Vernon by instrument recorded March 28, 2008, under Auditor's File No. 200803280001, records of Skagit County, Washington.

Situate in the City of Mount Vernon, County of Skagit, State of Washington.



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RETURN ADDRESS:
Skagit State Bank
Main Office
301 E. Fairhaven Ave
P O Box 285
Burlington, WA 98233



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LAND TITLE OF SKAGIT COUNTY



* ASSIGNMENT%*****%*****%07-29-2011 *

ASSIGNMENT OF RENTS

Reference # (if applicable): 139915-S

Additional on page ____

Grantor(s):

1. HINTON FAMILY LLC
2. HINTON, GREGORY T

Grantee(s)

1. Skagit State Bank

Legal Description: Ptn NW 1/4 of NW 1/4, 17-34-4 E W.M.

Additional on page ____

Assessor's Tax Parcel ID#: 340417-2-008-0005 (P25918)

THIS ASSIGNMENT OF RENTS dated July 29, 2011, is made and executed between HINTON FAMILY LLC, a Washington Limited Liability Company, whose address is 18105 NE 23RD STREET, REDMOND, WA 98052-6001 and GREGORY T HINTON, as his separate property, whose address is 9428 SAMISH ISLAND RD, BOW, WA 98232 (referred to below as "Grantor") and Skagit State Bank, whose mailing address is 301 E. Fairhaven Ave, P O Box 285, Burlington, WA 98233 (referred to below as "Lender").

**ASSIGNMENT OF RENTS
(Continued)**

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ASSIGNMENT. For valuable consideration, Grantor hereby assigns, grants a continuing security interest in, and conveys to Lender all of Grantor's right, title, and interest in and to the Rents from the following described Property located in SKAGIT County, State of Washington:

See Schedule A-1, which is attached to this Assignment and made a part of this Assignment as if fully set forth herein.

The Property or its address is commonly known as 2400 RIVERSIDE DR, MOUNT VERNON, WA 98273. The Property tax identification number is 340417-2-008-0005 (P25918).

CROSS-COLLATERALIZATION. In addition to the Note, this Assignment secures all obligations, debts and liabilities, plus interest thereon, of either Grantor or Borrower to Lender, or any one or more of them, as well as all claims by Lender against Borrower and Grantor or any one or more of them, whether now existing or hereafter arising, whether related or unrelated to the purpose of the Note, whether voluntary or otherwise, whether due or not due, direct or indirect, determined or undetermined, absolute or contingent, liquidated or unliquidated, whether Borrower or Grantor may be liable individually or jointly with others, whether obligated as guarantor, surety, accommodation party or otherwise, and whether recovery upon such amounts may be or hereafter may become barred by any statute of limitations, and whether the obligation to repay such amounts may be or hereafter may become otherwise unenforceable.

THIS ASSIGNMENT IS GIVEN TO SECURE (1) PAYMENT OF THE INDEBTEDNESS AND (2) PERFORMANCE OF ANY AND ALL OBLIGATIONS OF BORROWER AND GRANTOR UNDER THE NOTE. THIS ASSIGNMENT, AND THE RELATED DOCUMENTS. THIS ASSIGNMENT IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

GRANTOR'S WAIVERS. Grantor waives all rights or defenses arising by reason of any "one action" or "anti-deficiency" law, or any other law which may prevent Lender from bringing any action against Grantor, including a claim for deficiency to the extent Lender is otherwise entitled to a claim for deficiency, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale.

BORROWER'S WAIVERS AND RESPONSIBILITIES. Lender need not tell Borrower about any action or inaction Lender takes in connection with this Assignment. Borrower assumes the responsibility for being and keeping informed about the Property. Borrower waives any defenses that may arise because of any action or inaction of Lender, including without limitation any failure of Lender to realize upon the Property, or any delay by Lender in realizing upon the Property. Borrower agrees to remain liable under the Note with Lender no matter what action Lender takes or fails to take under this Assignment.

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Assignment or any Related Documents, Grantor shall pay to Lender all amounts secured by this Assignment as they become due, and shall strictly perform all of Grantor's obligations under this Assignment. Unless and until Lender exercises its right to collect the Rents as provided below and so long as there is no default under this Assignment, Grantor may remain in possession and control of and operate and manage the Property and collect the Rents, provided that the granting of the right to collect the Rents shall not constitute Lender's consent to the use of cash collateral in a bankruptcy proceeding.

GRANTOR'S REPRESENTATIONS AND WARRANTIES. Grantor warrants that:

Ownership. Grantor is entitled to receive the Rents free and clear of all rights, loans, liens, encumbrances, and claims except as disclosed to and accepted by Lender in writing.

Right to Assign. Grantor has the full right, power and authority to enter into this Assignment and to assign and convey the Rents to Lender.

No Prior Assignment. Grantor has not previously assigned or conveyed the Rents to any other person by any instrument now in force.

No Further Transfer. Grantor will not sell, assign, encumber, or otherwise dispose of any of Grantor's rights in the Rents except as provided in this Assignment.

LENDER'S RIGHT TO RECEIVE AND COLLECT RENTS. Lender shall have the right at any time, and even though no default shall have occurred under this Assignment, to collect and receive the Rents. For this purpose, Lender is hereby given and granted the following rights, powers and authority:

Notice to Tenants. Lender may send notices to any and all tenants of the Property advising them of this Assignment and directing all Rents to be paid directly to Lender or Lender's agent.

Enter the Property. Lender may enter upon and take possession of the Property; demand, collect and receive from the tenants or from any other persons liable therefor, all of the Rents; institute and carry on all legal proceedings necessary for the protection of the Property, including such proceedings as may be necessary to recover possession of the Property; collect the Rents and remove any tenant or tenants or other persons from the Property.

Maintain the Property. Lender may enter upon the Property to maintain the Property and keep the same in repair; to pay the costs thereof and of all services of all employees, including their equipment, and of all continuing costs and expenses of maintaining the Property in proper repair and condition, and also to pay all taxes, assessments and water utilities, and the premiums on fire and other insurance effected by Lender on the Property.

Compliance with Laws. Lender may do any and all things to execute and comply with the laws of the State of Washington and also all other laws, rules, orders, ordinances and requirements of all other governmental agencies affecting the Property.

Lease the Property. Lender may rent or lease the whole or any part of the Property for such term or terms and on such conditions as Lender may deem appropriate.

Employ Agents. Lender may engage such agent or agents as Lender may deem appropriate, either in Lender's name or in Grantor's name, to rent and manage the Property, including the collection and application of Rents.

Other Acts. Lender may do all such other things and acts with respect to the Property as Lender may deem appropriate and may act exclusively and solely in the place and stead of Grantor and to have all of the powers of Grantor for the purposes stated above.

No Requirement to Act. Lender shall not be required to do any of the foregoing acts or things, and the fact that Lender shall have performed one or more of the foregoing acts or things shall not require Lender to do any other specific act or thing.

APPLICATION OF RENTS. All costs and expenses incurred by Lender in connection with the Property shall be for



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**ASSIGNMENT OF RENTS
(Continued)**

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Grantor's account and Lender may pay such costs and expenses from the Rents. Lender, in its sole discretion, shall determine the application of any and all Rents received by it, however, any such Rents received by Lender which are not applied to such costs and expenses shall be applied to the indebtedness. All expenditures made by Lender under this Assignment and not reimbursed from the Rents shall become a part of the indebtedness secured by this Assignment, and shall be payable on demand, with interest at the Note rate from date of expenditure until paid.

FULL PERFORMANCE. If Grantor pays all of the indebtedness when due and otherwise performs all the obligations imposed upon Grantor under this Assignment, the Note, and the Related Documents, Lender shall execute and deliver to Grantor a suitable satisfaction of this Assignment and suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Property. Any termination fee required by law shall be paid by Grantor, if permitted by applicable law.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Property or if Grantor fails to comply with any provision of this Assignment or any Related Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Assignment or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Rents or the Property and paying all costs for insuring, maintaining and preserving the Property. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Assignment also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default.

DEFAULT. Each of the following, at Lender's option, shall constitute an Event of Default under this Assignment:

Payment Default. Borrower fails to make any payment when due under the indebtedness.

Other Defaults. Borrower or Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Assignment or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower or Grantor.

Default on Other Payments. Failure of Grantor within the time required by this Assignment to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to effect discharge of any lien.

Environmental Default. Failure of any party to comply with or perform when due any term, obligation, covenant or condition contained in any environmental agreement executed in connection with the Property.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or Grantor or on Borrower's or Grantor's behalf under this Assignment or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Defective Collateralization. This Assignment or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Death or Insolvency. The dissolution of Grantor's (regardless of whether election to continue is made), any member withdraws from the limited liability company, or any other termination of Borrower's or Grantor's existence as a going business or the death of any member, the insolvency of Borrower or Grantor, the appointment of a receiver for any part of Borrower's or Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower or Grantor.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or Grantor or by any governmental agency against the Rents or any property securing the indebtedness. This includes a garnishment of any of Borrower's or Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower or Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower or Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Property Damage or Loss. The Property is lost, stolen, substantially damaged, sold, or borrowed against.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the indebtedness.

Adverse Change. A material adverse change occurs in Grantor's financial condition or Lender believes the prospect of payment or performance of the indebtedness is impaired.

Insecurity. Lender in good faith believes itself insecure.

RIGHTS AND REMEDIES ON DEFAULT. Upon the occurrence of any Event of Default and at any time thereafter, Lender may exercise any one or more of the following rights and remedies, in addition to any other rights or remedies provided by law:

Accelerate Indebtedness. Lender shall have the right at its option without notice to Borrower or Grantor to declare the entire indebtedness immediately due and payable, including any prepayment penalty that Borrower would be required to pay.

Collect Rents. Lender shall have the right, without notice to Borrower or Grantor, to take possession of the Property and collect the Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the indebtedness. In furtherance of this right, Lender shall have all the rights provided for in the Lender's Right to Receive and Collect Rents Section, above. If the Rents are collected by Lender, then Grantor irrevocably designates Lender as Grantor's attorney-in-fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender in response to Lender's demand shall satisfy the obligations for which the payments are made, whether or not any proper grounds for the demand existed. Lender may exercise its rights under this subparagraph either in person, by agent, or through a receiver.



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**ASSIGNMENT OF RENTS
(Continued)**

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Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property preceding or pending foreclosure or sale, and to collect the Rents from the Property and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Property exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

Other Remedies. Lender shall have all other rights and remedies provided in this Assignment or the Note or by law.

Election of Remedies. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Assignment, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Assignment, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees, title insurance, and fees for the Trustee, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Assignment:

Amendments. This Assignment, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Assignment. No alteration of or amendment to this Assignment shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Caption Headings. Caption headings in this Assignment are for convenience purposes only and are not to be used to interpret or define the provisions of this Assignment.

Governing Law. This Assignment will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Washington without regard to its conflicts of law provisions. This Assignment has been accepted by Lender in the State of Washington.

Joint and Several Liability. All obligations of Borrower and Grantor under this Assignment shall be joint and several, and all references to Grantor shall mean each and every Grantor, and all references to Borrower shall mean each and every Borrower. This means that each Grantor signing below is responsible for all obligations in this Assignment. Where any one or more of the parties is a corporation, partnership, limited liability company or similar entity, it is not necessary for Lender to inquire into the powers of any of the officers, directors, partners, members, or other agents acting or purporting to act on the entity's behalf, and any obligations made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Assignment.

Merger. There shall be no merger of the interest or estate created by this assignment with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.


Interpretation. (1) In all cases where there is more than one Borrower or Grantor, then all words used in this Assignment in the singular shall be deemed to have been used in the plural where the context and construction so require. (2) If more than one person signs this Assignment as "Grantor," the obligations of each Grantor are joint and several. This means that if Lender brings a lawsuit, Lender may sue any one or more of the Grantors. If Borrower and Grantor are not the same person, Lender need not sue Borrower first, and that Borrower need not be joined in any lawsuit. (3) The names given to paragraphs or sections in this Assignment are for convenience purposes only. They are not to be used to interpret or define the provisions of this Assignment.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Assignment unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Assignment shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Assignment. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Assignment, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Notices. Subject to applicable law, and except for notice required or allowed by law to be given in another manner, any notice required to be given under this Assignment shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Assignment. Any party may change its address for notices under this Assignment by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. Subject to applicable law, and except for notice required or allowed by law to be given in another manner, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

Powers of Attorney. The various agencies and powers of attorney conveyed on Lender under this Assignment are granted for purposes of security and may not be revoked by Grantor until such time as the same are renounced by Lender.

Severability. If a court of competent jurisdiction finds any provision of this Assignment to be illegal, invalid, or unenforceable as to any person or circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other person or circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Assignment. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Assignment shall not affect the legality, validity or enforceability of any other provision of this Assignment.


201108010068
Skagit County Auditor
8/1/2011 Page 4 of 7 1:24PM

**ASSIGNMENT OF RENTS
(Continued)**

Page 5

Successors and Assigns. Subject to any limitations stated in this Assignment on transfer of Grantor's interest, this Assignment shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Assignment and the indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Assignment or liability under the Indebtedness.

Time is of the Essence. Time is of the essence in the performance of this Assignment.

Waiver of Homestead Exemption. Grantor hereby releases and waives all rights and benefits of the homestead exemption laws of the State of Washington as to all indebtedness secured by this Assignment.

Waiver of Right of Redemption. NOTWITHSTANDING ANY OF THE PROVISIONS TO THE CONTRARY CONTAINED IN THIS ASSIGNMENT, GRANTOR HEREBY WAIVES ANY AND ALL RIGHTS OF REDEMPTION FROM SALE UNDER ANY ORDER OR JUDGMENT OF FORECLOSURE ON GRANTOR'S BEHALF AND ON BEHALF OF EACH AND EVERY PERSON, EXCEPT JUDGMENT CREDITORS OF GRANTOR, ACQUIRING ANY INTEREST IN OR TITLE TO THE PROPERTY SUBSEQUENT TO THE DATE OF THIS ASSIGNMENT.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Assignment. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Assignment shall have the meanings attributed to such terms in the Uniform Commercial Code:

Assignment. The word "Assignment" means this ASSIGNMENT OF RENTS, as this ASSIGNMENT OF RENTS may be amended or modified from time to time, together with all exhibits and schedules attached to this ASSIGNMENT OF RENTS from time to time.

Borrower. The word "Borrower" means HINTON FAMILY LLC.

Default. The word "Default" means the Default set forth in this Assignment in the section titled "Default".

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Assignment in the default section of this Assignment.

Grantor. The word "Grantor" means HINTON FAMILY LLC and GREGORY T HINTON.

Guarantor. The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the Indebtedness.

Guaranty. The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

Indebtedness. The word "Indebtedness" means all principal, interest, and other amounts, costs and expenses payable under the Note or Related Documents, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for the Note or Related Documents and any amounts expended or advanced by Lender to discharge Grantor's obligations or expenses incurred by Lender to enforce Grantor's obligations under this Assignment, together with interest on such amounts as provided in this Assignment. Specifically, without limitation, Indebtedness includes all amounts that may be indirectly secured by the Cross-Collateralization provision of this Assignment.

Lender. The word "Lender" means Skagit State Bank, its successors and assigns.

Note. The word "Note" means the promissory note dated July 29, 2011, in the original principal amount of \$248,500.00 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Property. The word "Property" means all of Grantor's right, title and interest in and to all the Property as described in the "Assignment" section of this Assignment.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

Rents. The word "Rents" means all of Grantor's present and future rights, title and interest in, to and under any and all present and future leases, including, without limitation, all rents, revenue, income, issues, royalties, bonuses, accounts receivable, cash or security deposits, advance rentals, profits and proceeds from the Property, and other payments and benefits derived or to be derived from such leases of every kind and nature, whether due now or later, including without limitation Grantor's right to enforce such leases and to receive and collect payment and proceeds thereunder.

THE UNDERSIGNED ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS ASSIGNMENT, AND NOT PERSONALLY BUT AS AN AUTHORIZED SIGNER, HAS CAUSED THIS ASSIGNMENT TO BE SIGNED AND EXECUTED ON BEHALF OF GRANTOR ON JULY 29, 2011.

GRANTOR:

HINTON FAMILY LLC

By: *Susan K Hinton*
SUSAN K HINTON, Manager of HINTON FAMILY LLC

X *Gregory T Hinton*
GREGORY T HINTON



ASSIGNMENT OF RENTS
(Continued)

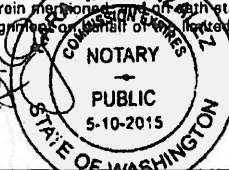
Page 6

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF Washington)
) SS
COUNTY OF Skagit)

On this 29th day of July, 2011, before me, the undersigned Notary Public, personally appeared SUSAN K HINTON, Manager of HINTON FAMILY LLC, and personally known to me or proved to me on the basis of satisfactory evidence to be a member or designated agent of the limited liability company that executed the ASSIGNMENT OF RENTS and acknowledged the Assignment to be the free and voluntary act and deed of the limited liability company, by with its statute, its articles of organization or its operating agreement, for the uses and purposes therein mentioned, and on each stated that he or she is authorized to execute this Assignment and in fact executed the Assignment on behalf of the limited liability company.

By [Signature] Residing at Burlington
Notary Public in and for the State of WA My commission expires 5-10-15

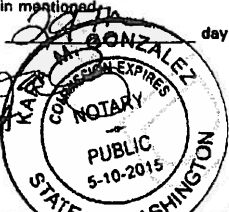


INDIVIDUAL ACKNOWLEDGMENT

STATE OF Washington)
) SS
COUNTY OF Skagit)

On this day before me, the undersigned Notary Public, personally appeared GREGORY T HINTON, personally known to me or proved to me on the basis of satisfactory evidence to be the individual described in and who executed the ASSIGNMENT OF RENTS, and acknowledged that he or she signed the Assignment as his or her free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 29th day of July, 2011
By [Signature] Residing at Burlington
Notary Public in and for the State of WA My commission expires 5-10-15



LASER PRO Lending, Ver. 5.57.00.004 Copr. Radant Financial Solutions, Inc 1997, 2011. All Rights Reserved.
WA M:\CFIL\PLIGT4.FC TR-20290 PR 2



201108010068
Skagit County Auditor

Schedule "A-1"

139915-S

DESCRIPTION:

PARCEL "A":

That portion of the Northwest ¼ of the Northwest ¼ of Section 17, Township 34 North, Range 4 East W.M., lying Southerly of the County Road along the North line thereof, lying Easterly of Old Highway 99 along the West line thereof, lying Northerly of a 60 foot strip conveyed to the City of Mount Vernon by deed dated July 3, 1959 and recorded July 10, 1959, as Auditor's File No. 582951 and lying Westerly of the West line (and Southerly extension of said West line) of a Tract conveyed to Keith S. Johnson, et al, by deed dated October 9, 1957 and recorded October 15, 1957, under Auditor's File No. 557246, records of Skagit County, Washington,

EXCEPT that portion deeded to the City of Mount Vernon by deed recorded under Auditor's File No. 8511050003.

Situate in the City of Mount Vernon, County of Skagit, State of Washington.

PARCEL "B":

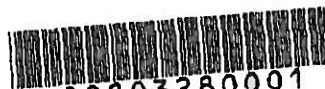
A strip of land 10 feet in width lying Easterly of and adjacent to the East line of that certain tract in the Northwest ¼ of the Northwest ¼ of Section 17, Township 34 North, Range 4 East, W.M., conveyed to Hinton Oldsmobile - G.M.C. Truck, Inc., a corporation, by deed dated May 28, 1968, recorded June 3, 1968, under Auditor's File No. 714268.

EXCEPTING from Parcels "A" and "B" above described, those portions deeded to the City of Mount Vernon by instrument recorded March 28, 2008, under Auditor's File No. 200803280001, records of Skagit County, Washington.

Situate in the City of Mount Vernon, County of Skagit, State of Washington.



201108010068
Skagit County Auditor



200803280001

Skagit County Auditor

3/28/2008 Page

1 of

9 8:58AM

COVER SHEET FOR RECORDING DOCUMENTS

Return to: Chrissy Sprouse
City of Mount Vernon
910 Cleveland Avenue
Mount Vernon, WA 98273

DOCUMENT: STATUTORY WARRANTY DEED

GRANTORS: Gregory Hinton, and the Hinton Family LLC

GRANTEES: City of Mount Vernon

ABBREVIATED LEGAL DESCRIPTION: Hinton Parcel P-25918, Right of Way
North, Right of Way South and Right of Way Northeast

AUDITOR'S FILES NO. 200102280025

COMPLETE LEGAL DESCRIPTION ON PAGE: See Exhibit A

NW NW 17-34-4

ASSESSOR'S PARCEL/TAX ID NUMBER: P-25918, N/A

FILE FOR RECORD AT REQUEST OF

WHEN RECORDED RETURN TO:

City of Mount Vernon
City Attorney's Office
PO Box 809
910 Cleveland Avenue
Mount Vernon, WA 98273

STATUTORY WARRANTY DEED

GRANTORS, Gregory Hinton, and the Hinton Family LLC, for and in consideration of Forty One Thousand Eight Hundred Ninety Dollars and one cent [\$41,890.01] in hand, conveys and warrants to the City of Mount Vernon, a municipal corporation, the following described real estate, situated in the County of Skagit, State of Washington:

(see Exhibit A attached hereto and made a part hereof)

Dated this 29th day of February, 2008.

GRANTORS:

Hinton Family, LLC

BY:

Susan K Hinton
(signature)

Susan K Hinton
(print name)

TITLE: Managing Member

Gregory Hinton
[Signature]
(signature)

950
SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

MAR 27 2008

Amount Paid \$ 750.64
By Skagit Co. Treasurer
mam Deputy

WARRANTY DEED PAGE 1



200803280001

Skagit County Auditor

STATE OF WASHINGTON)
) ss.
COUNTY OF Skagit)

On this 5 day of March, 2008, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Susan K. Hinton, to me known to be the Managing Member of The Hinton Family LLC, the company that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said company, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute said instrument.

WITNESS my hand and official seal hereto affixed the day and year in first above written.

Christina I Spruiell

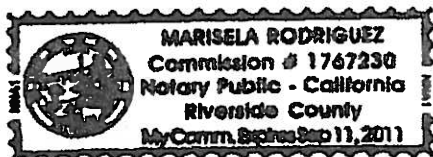
NOTARY PUBLIC in and for the State
of Washington, residing at Mount Vernon
My commission expires May 1, 2011

California
STATE OF ~~ARIZONA~~)
) ss.
COUNTY OF Riverside)

On this 4th day of March, 2008, before me, the undersigned, a Notary Public in and for the State of ~~Washington~~ California, duly commissioned and sworn, personally appeared Gregory Hinton, the individual that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said company, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute said instrument.

WITNESS my hand and official seal hereto affixed the day and year in first above written.

I Certify under Penalty of Perjury under the laws of the State of California that the foregoing paragraph is true and correct.



Marisela Rodriguez
NOTARY PUBLIC in and for the State
of ~~Arizona~~ California, residing at Palm Desert
My commission expires Sept 11, 2011

STATUTORY WARRANTY DEED PAGE 2



200803280001
Skagit County Auditor

Exhibit A

STATUTORY WARRANTY DEED P



200803280001

Skagit County Auditor

3/28/2008 Page

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9 8:58AM

LEGAL DESCRIPTION FOR: Hinton Parcel P-25918, Right-of-way North

That portion of the Northwest quarter of the Northwest quarter of Section 17, Township 34 North, Range 4 East, W.M., described as follows:

Commencing at the Northwest corner of said Section 17; thence South $1^{\circ} 01' 14''$ West along the West line thereof a distance of 401.74 feet; thence South $88^{\circ} 58' 46''$ East 50.00 feet to the East right-of-way line of Riverside Drive and the TRUE POINT OF BEGINNING; thence North $14^{\circ} 36' 35''$ East 55.25 feet; thence North $0^{\circ} 33' 37''$ East 98.96 feet; thence along a curve to the left having a radius of 1027.00 feet through a central angle of $3^{\circ} 31' 39''$ an arc distance of 63.23 feet; thence North $2^{\circ} 58' 02''$ West 129.06 feet; thence North $60^{\circ} 38' 17''$ East 36.18 feet; thence South $87^{\circ} 58' 02''$ East 68.66 feet; thence North $2^{\circ} 01' 58''$ East 4.5 feet; thence South $87^{\circ} 58' 02''$ East 69.65 feet; thence North $2^{\circ} 01' 58''$ East 1.00 feet to the South right-of-way line of Hoag Road; thence along the right-of-way of Hoag Road and Riverside Drive the following bearings and distances; thence North $87^{\circ} 58' 02''$ West 143.60 feet; thence South $62^{\circ} 07' 37''$ West 30.58 feet; thence South $1^{\circ} 01' 14''$ West 353.70 feet to the TRUE POINT OF BEGINNING.

Containing 3, 709 square feet.



3/3/20

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Skagit County Auditor

2/28/2001 Page



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Skagit County Auditor

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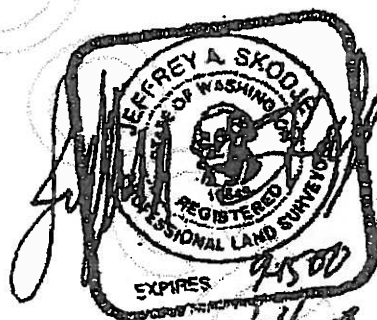
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LEGAL DESCRIPTION FOR: Hinton Parcel No. P-25918, Right-of-Way South

That portion of the Northwest quarter of the Northwest quarter of Section 17, Township 34 North, Range 4 East, W.M., described as follows:

Commencing at the Northwest corner of said Section 17; thence South $1^{\circ} 01' 14''$ West along the West line thereof a distance of 401.74 feet; thence South $88^{\circ} 58' 46''$ East 50.00 feet to the East right-of-way line of Riverside Drive; thence South $1^{\circ} 01' 14''$ West along said right-of-way line 112.43 feet to the TRUE POINT OF BEGINNING; thence South $37^{\circ} 16' 56''$ East 24.63 feet; thence South $87^{\circ} 57' 04''$ East 278.97 feet to the East line of a strip of land ten feet in width lying Easterly of and adjacent to the East line of that certain tract in the Northwest quarter of the Northwest quarter of said section 17 as conveyed to Hinton Oldsmobile - GMC Truck, Inc. a corporation by deed dated May 28, 1968 recorded June 3, 1968 as Auditor's File No. 714268; thence South $1^{\circ} 01' 14''$ West along said line 8.14 feet to the North right-of-way line of Pacific Place; thence North $87^{\circ} 57' 04''$ West along said right-of-way line 290.24 feet to intersect the East right-of-way line of Riverside Drive; thence North $1^{\circ} 01' 14''$ East along said right-of-way 27.19 feet to the TRUE POINT OF BEGINNING.

Containing 2,507 square feet.



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Skagit County Auditor

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Skagit County Auditor

3/28/2008 Page 6 of 9 8:58AM

LEGAL DESCRIPTION FOR: Hinton Parcel P-25918, Right-of-way Northeast

The South 10 feet of the North 30 feet of that certain strip of land 10 feet in width lying Easterly of and adjacent to the East line of that certain tract in the Northwest quarter of the Northwest quarter of Section 17, Township 34 North, Range 4 East, W.M., conveyed to Hinton Oldsmobile - GMC Truck, Inc., a corporation by deed dated May 28, 1968, recorded June 3, 1968 as Auditor's File No. 714268.

Containing 101 square feet.

See attached Exhibit "A".



200102280025

Skagit County Auditor

2/28/2001 Page 8 of 12 9:08:11AM



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Skagit County Auditor

3/28/2008 Page 7 of 9 8:58AM

EXHIBIT A
SHEET 1 OF 2

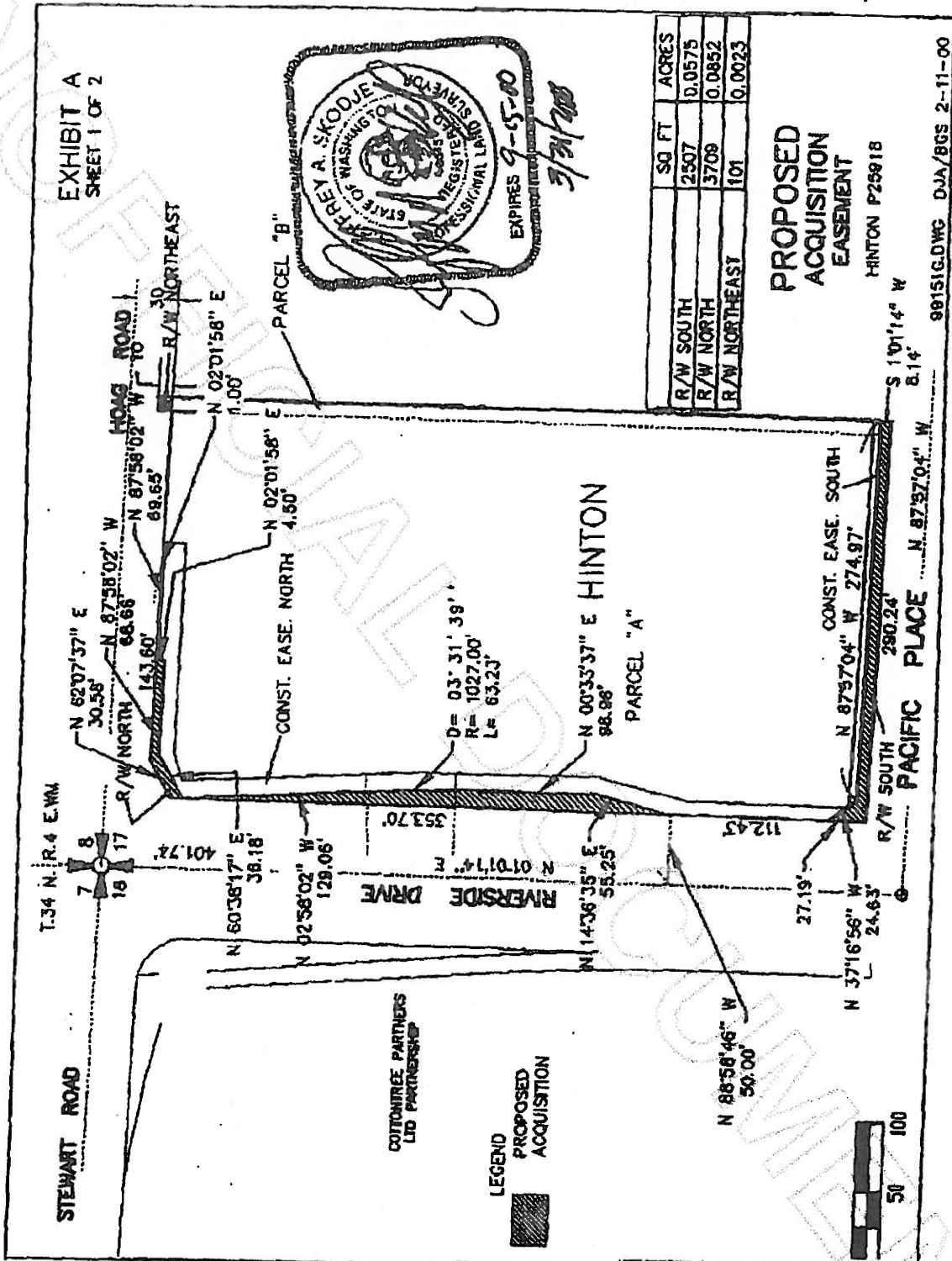


	SQ. FT.	ACRES
R/W SOUTH	2507	0.0575
R/W NORTH	3709	0.0852
R/W NORTHEAST	101	0.0023

**PROPOSED
ACQUISITION
EASEMENT**

HINTON P25918

98151G.DWG DJA/BGS 2-11-00



200102280025
Skagit County Auditor

200803280001
Skagit County Auditor

1. Final Acquisition Payment. As final just compensation for its purchase of the Acquisition Area, the City shall promptly pay the additional sum of Twenty-Four Thousand Three Hundred Fifty Dollars (\$24,350.00), together with interest thereon from March 1, 2002 to the date of payment at the statutory rate of twelve percent (12%) per annum. Such payment shall be by check jointly payable to the LLC and Greg Hinton. It shall be the obligation of the LLC and Gregory Hinton to allocate such payment between them in accordance with their respective undivided interests in the Acquisition Area, and the City shall have no obligations or responsibilities with respect to such allocation.

2. Conveyance of Acquisition Area. In exchange for the final acquisition payment set forth in paragraph 1, above, the LLC and Greg Hinton shall convey all of their right, title and interest in and to the Acquisition Area, together with all of their right, title and interest in and to any rights, licenses, privileges, reversions and easements pertinent to the Acquisition Area, including without limitation, all minerals, oil, gas and other hydrocarbon substances on and under the Acquisition Area by warranty deed in the form attached hereto as **Attachment 3** by _____ (the "Closing Date"). Greg Hinton and the LLC represent and warrant that they hold marketable fee title to the Acquisition Area and are able to convey the same in conformance herewith. The City shall pay any recording fees or other charges which must be paid in order to record the deed, and will pay the cost of any title insurance which it desires to procure with respect to such deed.

3. Representations and Warranties. Greg Hinton and the LLC represent and warrant that, to the best of their knowledge, there is no litigation pending or threatened against them pertaining to the Acquisition Area that might materially and detrimentally affect (i) the City's use of the Acquisition Area for sidewalk, street and related purposes, or (ii) the ability of Greg Hinton or the LLC to perform their obligations under this Agreement, or (iii) their ability to convey marketable title to the Acquisition Area to the City. Greg Hinton and the LLC represent and warrant that they have received no notice alleging any default or breach on their part that may affect the foregoing, and no such default or breach now exists.

4. Termination of Construction Easement. Construction of the City's Riverside Bridge Replacement Project and related street and sidewalk improvements has been completed, and the parties hereby confirm that all rights granted to the City under the Right-of-Entry Agreement with respect to the Construction Easement Area have been terminated.

5. Full and Final Settlement. Except as provided in the deed to be executed pursuant to paragraph 2, above, the City shall have and retain no other right, title or interest with respect to the Hinton Property. Except for the payment to be made pursuant to paragraph 1, above, the LLC and Greg Hinton shall have no further rights to just compensation from the City with respect to the Riverside Bridge Replacement Project or any taking of property arising or resulting therefrom. The terms of this Agreement are made and accepted for the purpose of making a full and final compromise, adjustment and settlement of disputed claims, precluding any further or additional claims within the scope hereof. In consideration of and conditioned upon payment of the compensation set forth in Paragraph 1, above, Greg Hinton and the LLC hereby release the City from any and all other costs, expenses, claims or liabilities arising from, or that may arise from the conveyance of the Acquisition Area to the City and from the City's construction, installation and operation of improvements to the Acquisition Area. The parties hereto acknowledge and agree that they have each been represented in the negotiation and preparation of this Agreement by independent counsel of their choice, and that they have read this Agreement, have had its contents explained to them by such counsel to the extent deemed necessary or advisable, and are fully aware of the contents hereof and of its legal effect. Each



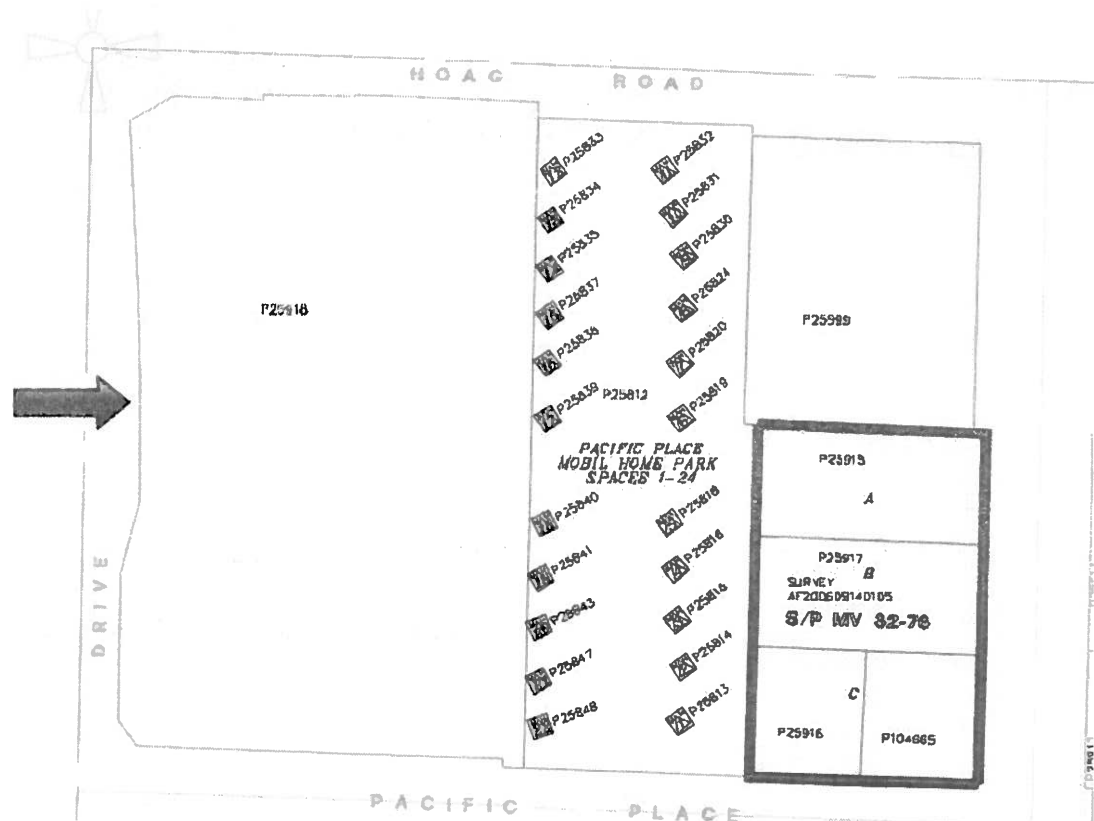


Land Title & Escrow Company

Of Skagit County & Island County

"We deliver results...not just promises"

Order No. 154338-S



This sketch is a courtesy of LAND TITLE COMPANY OF SKAGIT COUNTY to assist in locating the premises. It is not based on a Survey and the Company assumes no liability for variations, if any, in dimensions and locations. This map does not purport to show all highways, roads or easements affecting the property.

Land Title Company of Skagit County

Privacy Policy Notice

PURPOSE OF THIS NOTICE

Stewart Title Guaranty Company, Stewart Title Insurance Company, Old Republic National Title Insurance Company and Land Title Company of Skagit County.

PURPOSE OF THIS NOTICE

Title V of the Gramm-Leach-Bliley Act (GLBA) generally prohibits any financial institution directly or through its affiliates, from sharing nonpublic personal information about you with a nonaffiliated third party unless the institution provides you with a notice of its privacy policies and practices, such as the type of information that it collects about you and the categories of persons or entities to whom it may be disclosed. In compliance with the GLBA, we are providing you with this document, which notifies you of the privacy policies and practices of Stewart Title Guaranty Company, Stewart Title Insurance Company, Old Republic National Title Insurance Company and Land Title Company of Skagit County.

We may collect nonpublic personal information about you from the following sources:

- Information we receive from you, such as on applications or other forms.
- Information about your transactions we secure from our files, or from our affiliates or others.
- Information we receive from a consumer reporting agency.
- Information that we receive from others involved in your transaction, such as the real estate agent or lender.

Unless it is specifically stated otherwise in an amended Privacy Policy Notice, no additional nonpublic personal information will be collected about you.

We may disclose any of the above information that we collect about our customers or former customers to our affiliates or to nonaffiliated third parties as permitted by law.

We also may disclose this information about our customers or former customers to the following types of nonaffiliated companies that perform marketing services on our behalf or with whom we have joint marketing agreements:

- Financial service providers such as companies engaged in banking, consumer finance, securities and insurance.
- Non-financial companies such as envelope stuffers and other fulfillment service providers.

WE DO NOT DISCLOSE ANY NONPUBLIC PERSONAL INFORMATION ABOUT YOU WITH ANYONE FOR ANY PURPOSE THAT IS NOT SPECIFICALLY PERMITTED BY LAW.

We restrict access to nonpublic personal information about you to those employees who need to know that information in order to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.



200102280025

, Skagit County Auditor

2/28/2001 Page 1 of 12 9:06:11AM

COVER SHEET FOR RECORDING DOCUMENTS

Return to: City of Mount Vernon
Post Office Box 809
Mount Vernon, Washington 98273

DOCUMENT TITLE: Ordinance No. 3039
Condemnation of Real Property

GRANTORS: Hinton Family LLC
Gregory T. Hinton
Estate of Susan R. Hinton

GRANTEES: City of Mount Vernon

ABBREVIATED LEGAL DESCRIPTION: Ptn of NW 1/4 Section 17, Township 34
North, Range 4 East, w.m.

COMPLETE LEGAL DESCRIPTIONS ON PAGES: 3, 4, 5, 7, 8

ASSESSOR'S PARCEL/TAX ID NUMBER: 340417-2-008-0005 / P25918

ORDINANCE NO. 3039

AN ORDINANCE OF THE CITY OF MOUNT VERNON, WASHINGTON, AUTHORIZING AND PROVIDING FOR THE ACQUISITION OF CERTAIN INTEREST IN REAL PROPERTY FOR THE PURPOSE OF REPLACEMENT OF RIVERSIDE BRIDGE AND ALIGNMENT CHANGE WITHIN THE CITY OF MOUNT VERNON; PROVIDING FOR CONDEMNATION, APPROPRIATION, TAKING AND DAMAGING OF LAND AND PROPERTY RIGHTS AS NECESSARY THEREFORE; PROVIDING FOR THE COST THEREOF; AND DIRECTING THE INITIATION OF APPROPRIATE PROCEEDINGS IN THE MANNER PROVIDED BY LAW FOR SAID CONDEMNATION

WHEREAS, the City Council hereby finds that the public health, safety, necessity and convenience demand that said project be undertaken and that in order to carry out the project it is necessary at this time for the City to acquire interest and rights to the properties described herein; and

WHEREAS, the City Council hereby finds and declares it necessary, and in the best interest of the public, that interest in the land and property rights hereinafter described be condemned, appropriated, taken and damaged for public use, subject to the payment of just compensation to the owners thereof in the manner provided by law

Now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MOUNT VERNON, WASHINGTON, AS FOLLOWS:

SECTION 1. That the City Council hereby recognizes and finds that the public necessity and convenience demand and require that the real property described in the attached EXHIBIT "A," which exhibit is hereby made a part of this ordinance as though fully set forth, is necessary for the accomplishment of the project herein described, and that the real property described above be condemned, appropriated and taken in fee simple for the public purpose and use, to wit: the replacement of the Riverside Bridge and modifications to its approaches; the construction of pedestrian sidewalks; and/or the construction and extension of public sewers and drains.

SECTION 2. That the City Attorney is hereby authorized and directed to commence condemnation proceedings against the owners or reputed owners of the above described lands and improvements as provided by law, to prepare the necessary petition in condemnation and to commence and prosecute such action in the Superior Court of Washington in and for the County of Skagit against all of the owners or reputed

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owners of the above described property and to acquire title thereof for the City of Mount Vernon, and in such proceedings to ascertain the just compensation for taking or damaging such property.

SECTION 3. That compensation for the acquisition of said lands shall be made from Riverside Bridge Relocation Grant funds, together with such other funds or other grant monies as may be available therefor.

SECTION 4. Nothing in this Ordinance shall be construed as a waiver by the City of Mount Vernon of its right to decline to take and pay for said land and properties after the amount of damages has been ascertained and within the time allowed by law.

SECTION 5. This Ordinance shall take effect and be in force from and after its passage, approval and publication as provided by law.

PASSED AND ADOPTED this 13th day of December, 2000.


MARK S. KNOWLES, Finance Director

SIGNED AND APPROVED this 14th day of December, 2000.


SKYE RICHENDRFER, Mayor


Approved as to form: -


SCOTT G. THOMAS, City Attorney

Published Summary. March 2, 01

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October 14, 1999

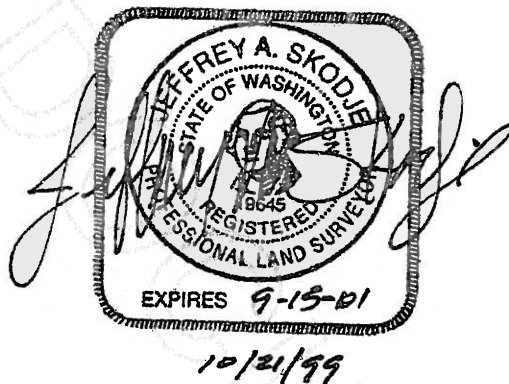
LEGAL DESCRIPTION FOR: Lot 3 of P-25758, Gregory and Susan Hinton

That portion of Lot 3 of Short Plat No. MV-11-84, approved October 23, 1984 and recorded October 25, 1984, in Volume 6 of Short Plats, page 186, under Auditor's File No. 8410250011, records of Skagit County, Washington, being in a portion of the Northwest Quarter of the Northwest Quarter of Section 17, Township 34 North, Range 4 East, W.M., described as follows:

Beginning at the Northwest corner of said Lot 3; **thence** South $87^{\circ} 57' 04''$ East, along the North line of said Lot 3, a distance of 220.00 feet to the Northeast corner thereof; **thence** south $0^{\circ} 46' 59''$ West, along the East line of said Lot 3, a distance of 21.43 feet; **thence** North $51^{\circ} 06' 09''$ West, 27.39 feet to a point which lies five feet, when measured at a right angle from the North line of said Lot 3; **thence** North $87^{\circ} 57' 04''$ West, parallel with said North line, a distance of 198.45 feet to the West line of said Lot 3; **thence** North $0^{\circ} 46' 59''$ East, along the West line thereof, 5.00 feet to the **POINT OF BEGINNING**.

Containing 1,277 square feet.

See Attached Exhibit "A".

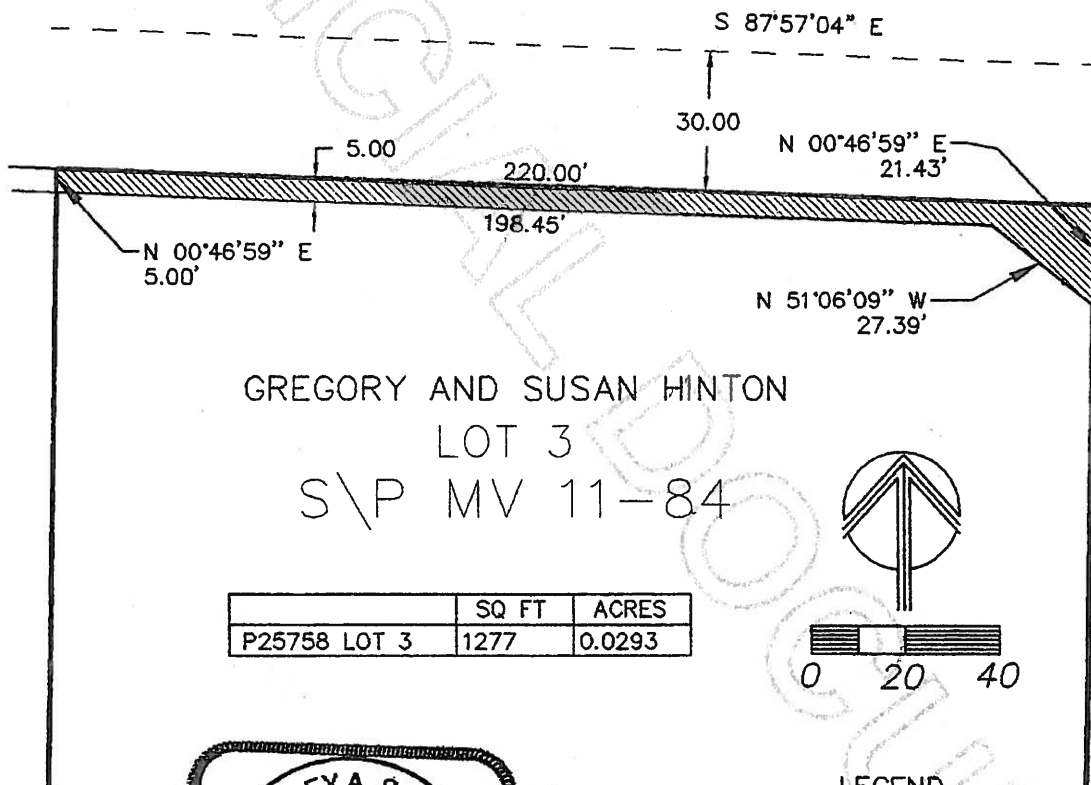


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EXHIBIT A

PACIFIC PLACE



	SQ FT	ACRES
P25758 LOT 3	1277	0.0293

0 20 40

LEGEND



PROPOSED
ACQUISITION



PROPOSED
RIGHT-OF-WAY
ACQUISITION MAP
P25758

99151G.DWG DJA 10-14-99



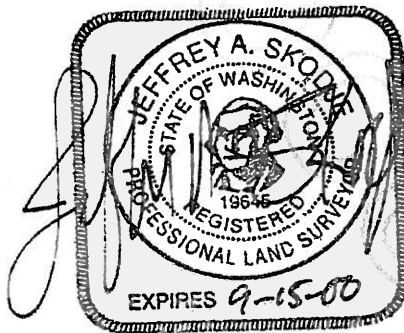
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LEGAL DESCRIPTION FOR: Hinton Parcel P-25918, Right-of-way North

That portion of the Northwest quarter of the Northwest quarter of Section 17, Township 34 North, Range 4 East, W.M., described as follows:

Commencing at the Northwest corner of said Section 17; **thence** South $1^{\circ} 01' 14''$ West along the West line thereof a distance of 401.74 feet; **thence** South $88^{\circ} 58' 46''$ East 50.00 feet to the East right-of-way line of Riverside Drive and the **TRUE POINT OF BEGINNING**; **thence** North $14^{\circ} 36' 35''$ East 55.25 feet; **thence** North $0^{\circ} 33' 37''$ East 98.96 feet; **thence** along a curve to the left having a radius of 1027.00 feet through a central angle of $3^{\circ} 31' 39''$ an arc distance of 63.23 feet; **thence** North $2^{\circ} 58' 02''$ West 129.06 feet; **thence** North $60^{\circ} 38' 17''$ East 36.18 feet; **thence** South $87^{\circ} 58' 02''$ East 68.66 feet; **thence** North $2^{\circ} 01' 58''$ East 4.5 feet; **thence** South $87^{\circ} 58' 02''$ East 69.65 feet; **thence** North $2^{\circ} 01' 58''$ East 1.00 feet to the South right-of-way line of Hoag Road; **thence** along the right-of-way of Hoag Road and Riverside Drive the following bearings and distances; **thence** North $87^{\circ} 58' 02''$ West 143.60 feet; **thence** South $62^{\circ} 07' 37''$ West 30.58 feet; **thence** South $1^{\circ} 01' 14''$ West 353.70 feet to the **TRUE POINT OF BEGINNING**.

Containing 3, 709 square feet.



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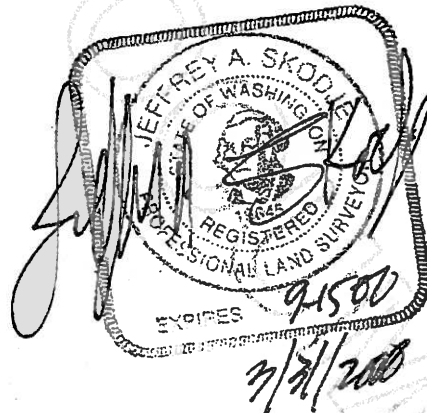
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LEGAL DESCRIPTION FOR: Hinton Parcel No. P-25918, Right-of-Way South

That portion of the Northwest quarter of the Northwest quarter of Section 17, Township 34 North, Range 4 East, W.M., described as follows:

Commencing at the Northwest corner of said Section 17; thence South $1^{\circ} 01' 14''$ West along the West line thereof a distance of 401.74 feet; thence South $88^{\circ} 58' 46''$ East 50.00 feet to the East right-of-way line of Riverside Drive; thence South $1^{\circ} 01' 14''$ West along said right-of-way line 112.43 feet to the **TRUE POINT OF BEGINNING**; thence South $37^{\circ} 16' 56''$ East 24.63 feet; thence South $87^{\circ} 57' 04''$ East 278.97 feet to the East line of a strip of land ten feet in width lying Easterly of and adjacent to the East line of that certain tract in the Northwest quarter of the Northwest quarter of said section 17 as conveyed to Hinton Oldsmobile - GMC Truck, Inc. a corporation by deed dated May 28, 1968 recorded June 3, 1968 as Auditor's File No. 714268; thence South $1^{\circ} 01' 14''$ West along said line 8.14 feet to the North right-of-way line of Pacific Place; thence North $87^{\circ} 57' 04''$ West along said right-of-way line 290.24 feet to intersect the East right-of-way line of Riverside Drive; thence North $1^{\circ} 01' 14''$ East along said right-of-way 27.19 feet to the **TRUE POINT OF BEGINNING**.

Containing 2,507 square feet.



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LEGAL DESCRIPTION FOR: Hinton Parcel P-25918, Right-of-way Northeast

The South 10 feet of the North 30 feet of that certain strip of land 10 feet in width lying Easterly of and adjacent to the East line of that certain tract in the Northwest quarter of the Northwest quarter of Section 17, Township 34 North, Range 4 East, W.M., conveyed to Hinton Oldsmobile – GMC Truck, Inc., a corporation by deed dated May 28, 1968, recorded June 3, 1968 as Auditor's File No. 714268.

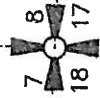
Containing 101 square feet.

See attached Exhibit "A".

EXHIBIT A
SHEET 1 OF 2

STEWART ROAD

HOAG ROAD



PARCEL "B"

PARCEL "A"



RIVERSIDE DRIVE

HINTON

PACIFIC PLACE

COTTON TREE PARTNERS
LTD PARTNERSHIP

LEGEND
PROPOSED
ACQUISITION

	SQ FT	ACRES
R/W SOUTH	2507	0.0575
R/W NORTH	3709	0.0852
R/W NORTHEAST	101	0.0023

PROPOSED
ACQUISITION
EASEMENT

HINTON P25918

S 1'01'14" W
8.14'

N 87'57'04" W
290.24'

R/W SOUTH

N 37'16'56" W
24.63'

N 88'58'46" W
50.00'

CONST. EASE. SOUTH

N 87'57'04" W 274.97'



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LEGAL DISCRIPTION FOR:

Hinton Parcel No. P-25918, Construction Easement North

That portion of the Northwest quarter of the Northwest quarter of Section 17, Township 34 N, Range 4 East, W.M., described as follows:

Commencing at the Northwest corner of said Section 17; **thence** South 1° 01' 14" West along the West line thereof, a distance of 401.74 feet; **thence** South 88° 58' 46" East 50.00 feet to the East right-of-way line of Riverside Drive and the **TRUE POINT OF BEGINNING**; **thence** South 1° 01' 14" West along said right-of-way 112.43 feet; **thence** South 37° 16' 56" East 16.05 feet; **thence** North 1° 10' 25" East 114.25 feet; **thence** North 14° 36' 35" East 64.85 feet; **thence** North 0° 14' 19" East 74.71 feet; **thence** North 1° 29' 30" East 25.79 feet; **thence** along a curve to the left having a radius of 680.45 feet through a central angle of 5° 23' 24" an arc distance of 64.01 feet; **thence** North 2° 58' 02" West 129.06 feet; **thence** North 73° 35' 07" East 20.96 feet; **thence** South 88° 14' 45" East 152.08 feet; **thence** North 2° 01' 58" East 15.88 feet to the South right-of-way line of Hoag Road; **thence** North 87° 58' 02" West 15.22 feet along said right-of-way; **thence** leaving said right-of-way South 2° 01' 58" West 1.00 feet; **thence** North 87° 58' 02" West 69.65 feet; **thence** South 2° 01' 58" West 4.50 feet; **thence** North 87° 58' 02" West 68.66 feet; **thence** South 60° 38' 17" West 36.18 feet; **thence** South 2° 58' 02" East 129.06 feet; **thence** along a curve to the right having a radius of 1027.00 feet through a central angle of 3° 31' 39" an arc distance of 63.23 feet; **thence** South 0° 33' 37" West 98.96 feet; **thence** South 14° 36' 35" West 55.25 feet to the **TRUE POINT OF BEGINNING**.

Containing 7,799 square feet.



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LEGAL DESCRIPTION FOR: Hinton Parcel P-25918, Construction Easement South

That portion of the Northwest quarter of the Northwest quarter of Section 17, Township 34 North, Range 4 East, W.M., described as follows:

Commencing at the Northwest corner of said Section 17; thence South 1° 01' 14" West along the West line thereof 401.74 feet; thence South 88° 58' 46" East 50.00 feet to the East right-of-way line of Riverside Drive; thence South 1° 01' 14" West along said right-of-way 112.43 feet; thence South 37° 16' 56" East 18.17 feet to the TRUE POINT OF BEGINNING; thence continue South 37° 16' 56" East 6.46 feet; thence South 87° 57' 04" East 274.97 feet to a point on the East line of a strip of land 10 feet in width lying Easterly of and adjacent to the East line of that certain tract in the Northwest quarter of the Northwest quarter of said Section 17 as conveyed to Hinton Oldsmobile - GMC Truck, Inc. a corporation by deed dated May 28, 1968, recorded June 3, 1968 as Auditor's File No. 714268; thence North 1° 01' 14" East along said line 5.01 feet; thence North 87° 57' 04" West 278.97 feet to the TRUE POINT OF BEGINNING.

Containing 1,385 square feet.



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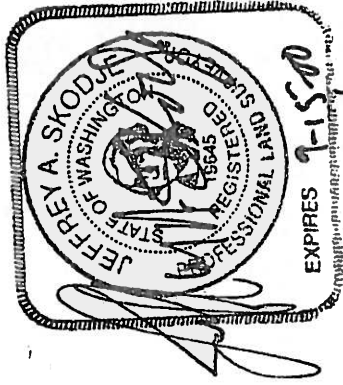
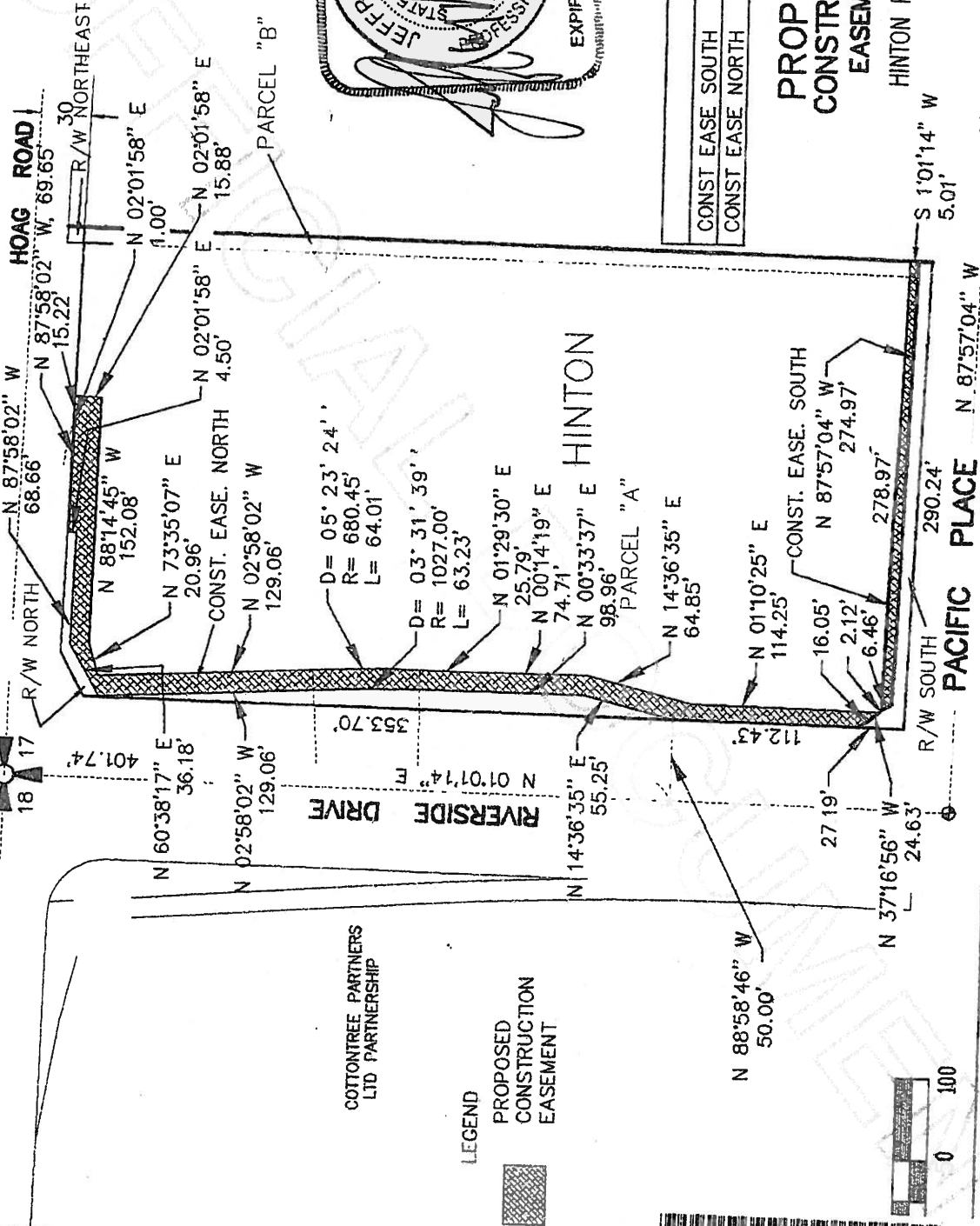
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EXHIBIT A
SHEET 2 OF 2

T.34 N. R.4 E. WM

STEWART ROAD



SQ FT	ACRES
CONST EASE SOUTH 1385	0.0318
CONST EASE NORTH 7799	0.1790

**PROPOSED
CONSTRUCTION
EASEMENT**

HINTON P25918

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